

# SUDITI INDUSTRIES LIMITED.



C-253/254, MIDC, TTC INDL. AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 703  
TEL: 67368600/10 E-mail: cs@suditi.in CIN: L19101MH1991PLC063245.  
Regd.Office: A-2, Shah & Nahar Indl: Estate, Unit No.23/26, Lower Parel, Mumbai-400013.

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Ref: No. SIL/SD/53/2021-22

20<sup>th</sup> October, 2021

The Secretary/Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001.

**Company Script Code No. 521113**

**Sub.: Annual Report for the year ended 31<sup>st</sup> March 2021 under Regulation 34 of SEBI  
(LODR) Regulations 2015**

Dear Sir,

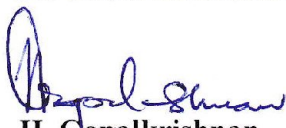
Pursuant to Regulation 34(1) SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, please find attachment herewith the Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2021 (simultaneous with the commencement of dispatch to the shareholders) subject to the adoption of by the Shareholder in the forthcoming 30<sup>th</sup> Annual General Meeting to be held on 16<sup>th</sup> November, 2021. Further we also confirm that the audit report issued by M/s. Chaturvedi & Partners, Chartered Accountants on the standalone/ Consolidated audit financial result for the year ended 31.03.2021 are with unmodified opinion.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours' Faithfully,

For **Suditi Industries Limited**

  
H. Gopalkrishnan  
Company Secretary





**SUDITI INDUSTRIES LTD.**

# 30<sup>TH</sup>

## ANNUAL REPORT 2020 - 2021



**OFFICIAL  
APPAREL  
LICENSEE**



## BOARD OF DIRECTORS

**Mr. Pawan Agarwal**  
Chairman

**Mr. Vivek Gangwal**

**Mrs. Sanjula Sanghai**

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

**Mr. H. Gopalkrishnan**  
Company Secretary

### Registered Office

A-2, Shah & Nahar Estate, Unit No. 23/26  
Lower Parel, Mumbai - 400 013

### Factory & Admn. Office

C- 253/254, MIDC, TTC Industrial Area, Turbhe,  
Pawane Village, Navi Mumbai- 400 703

Tel. No.: 67368600/10

Email: [cs@suditi.in](mailto:cs@suditi.in) | Website: [www.suditi.in](http://www.suditi.in)

## CONTENTS

## PAGE

Notice.....	1
Shareholders Instructions for E-Voting.....	6
Directors' Report with Annexure I.....	9
Annexure II to Annexure V.....	30
Secretarial Auditors Report.....	43
Certificate of Non-Disqualification of Directors.....	44
Statutory Auditors Certificate of Corporate Governance.....	45
Statutory/Independent Auditors Report (Standalone).....	46
Balance Sheet (Standalone).....	52
Profit and Loss (Standalone).....	53
Cash Flow Statement (Standalone).....	54
Significant Accounting Policies and Notes on Accounts (Standalone).....	58
Statutory/Independent Auditors Report (Consolidated).....	101
Balance Sheet (Consolidated).....	107
Profit and Loss (Consolidated).....	108
Cash Flow Statement (Consolidated).....	109
Significant Accounting Policies and Notes on Accounts (Consolidated).....	113
Additional Information under Schedule III to the companies Act 2013.....	149

## WORKS

### Unit No. 1

C-253/254, MIDC, T.T.C. Industrial Area,  
Pawane Village, Navi Mumbai - 400 703

### Unit No. 2

C-3/B, MIDC, T.T.C. Industrial Area,  
Navi Mumbai - 400 703

### Auditors

Chaturvedi & Partners  
A-603, Shaheen Chambers,  
Premises Cooperative Society Ltd.  
Dawood Baug Cross Lane, Near Navrang Cinema  
Mumbai - 400 058

### Legal Advisor

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

### Bankers

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

### Internal Auditor

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

### Registrar & Share Transfer Agents Link Intime India Pvt. Ltd.

Registered Office:  
C 101, 247 Park, LBS Marg, Vikhroli (West)  
Mumbai - 400 083  
Tel.: 022-49186270  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

## THIRTIETH ANNUAL GENERAL MEETING

Tuesday, the 16th November 2021 at 3.30 pm  
through Video Conferencing (VC) or Other  
Audio Visual Means(OAVM)



**NOTICE OF ANNUAL GENERAL MEETING:**

Notice is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Tuesday, 16 November 2021 at 3.30 P.M through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

**ORDINARY BUSINESS:**

1 To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31<sup>st</sup> March, 2021 and the statement of Profit & Loss Account of the Company including the Cash Flow Statements for the financial year ended 31<sup>st</sup> March, 2021 both standalone and consolidated and the Reports of the Directors and Auditors thereon.

2 To appoint a director in place of Shri Pawan Agarwal (DIN No: 00808731), who retires by rotation and, being eligible, offers himself for re-appointment.

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

**“RESOLVED THAT**, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 (“Act”), read with the Companies (Audit & Auditors) Rules, 2014 framed there under, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 29<sup>th</sup>. September 2017, the appointment of M/s. Chaturvedi & Partners., Chartered Accountants (ICAI Firm Registration No.307068E) Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2022 be and is hereby ratified and that the board of directors be and is hereby authorised to fix the remuneration plus GST, out-of pocket travelling and living expenses, etc., payable to them for the financial year ending March 31, 2022 as may be determined by the audit committee in consultation with the auditors and such remuneration as may be agreed between the auditors and Board of Directors.”

**SPECIAL BUSINESS:**

4 **Shifting the Registered office of the Company:**  
To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to section 12(5) (a) and any other applicable Provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014, or any other law for the time being in force (including any statutory modification(s) or amendment(s) thereto or enactment(s) thereof for the time being in force the consent of the shareholders of the company be and is hereby accorded to shift Registered office of the company from **“Shah & Nahar Ind Estate A-2unit No 23/24, Dhanraj Mills Compound, LowerParel, Mumbai, Maharashtra 400013 India.”** To **“C-253/254, MIDC, TTC INDL. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705”** within the state of Maharashtra from such date as may be determined by the board.

**“FURTHER RESOLVED THAT** for the purpose of giving effect

to this resolution, any of the Director, of the Company be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of E-form INC.22 as return of Change in address of registered office with the Registrar of Companies, Maharashtra, Mumbai”

5 **Increased Authorized Capital of the Company:**

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

**“RESOLVED THAT** pursuant section 61 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 (the Act) read with the Companies (Share Capital & Debenture) Rules, 2014 including any statutory modification(s) thereof, the Authorized Share capital of the Company be and hereby increased **from** Rs. 25,00,00,000 ( Rupees Twenty Five Crore) comprising of 2,50,00,000( Two Crore Fifty Lakh) equity share of Rs. 10/-(Rupees Ten) each **To** Rs. 30,00,00,000 ( Rupees Thirty Crore) comprising of 300,00,000( Three Crore) equity share of Rs. 10/-(Rupees Ten) each and new equiy shares shall rank Parri Passu with the existing equity share of the Company.

**“RESOLVED FURTHER THAT** any one Director of the company be and is hereby authorized on behalf of the Company to do all such acts, deeds, Document, instrument and things as may be necessary to give effect to the above, resolution, including entering the necessary particulars in the statutory registers and other records of the Company and filing such other documents and doing such other acts as may be required under law in connection with the above resolution.

6 **To amend the Memorandum of Association:**

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

**“RESOLVED THAT** pursuant to the provision of Section 13 of the Companies Act, 2013 the existing clause V (a) of the Memorandum of the Association of the Company be and is hereby altered with the following clause:

V.(a) The Authorized Share Capital of the Company is Rs. 30,00,00,000 ( Rupees Thirty Crore) comprising of 300,00,000 (Three Crore) equity share of Rs. 10/-(Rupees Ten) each. The Company has powers to increase or reduce the same in accordance with the provisions of the Companies Act, 2013. The Shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special right, privileges, condition or restriction as to dividends, capital, voting or otherwise.”

**“RESOLVED FURTHER THAT** any one Director of the company be and is hereby authorized on behalf of the Company to do all such acts, deeds, Document, instrument and things as may be necessary to give effect to the above, resolution, including entering the necessary particulars in the

## Thirtieth Annual Report 2020 - 2021

statutory registers and other records of the Company and filing such other documents and doing such other acts as may be required under law in connection with the above resolution.

### 7 Approval of Related Party transactions.

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

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

Name of the Related Party	Nature of Relationship	Particulars of Contract	Period	Likely Amount of transaction per annum (in Rs.)
Black Gold Leasing Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including related & other services.	2020-21 to 2025-26	12 crores
Suditi Sports Apparel Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other services.	2020-21 to 2025-26	16 crores

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

- (i) The contract is competitive, at arm's length price, without conflict of interest and not less advantageous to as compared to similar contracts with other parties.
- (ii) The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheets and Annual Returns with the Registrar of Companies.
- (iii) All factors relevant to the contract have been considered as mentioned above.
- (iv) There are no disproportionate advance payments made or received in respect of above transactions.

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

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

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

Place: Mumbai  
Dated: 01/10/2021

H.Gopalkrishnan  
Company Secretary



**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated January 13, 2021 read with Circulars dated April 8, 2020, April 13, 2020 and read with the SEBI Circulars dated May 12, 2020 and January 15, 2021 (the SEBI Circulars), May 5, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting ("AGM") through VC / OAVM, without physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, this AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. As this AGM is being held through VC / OAVM pursuant to the applicable MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.  
  
Further, since the AGM is being held through VC/ OAVM, the route map of the venue of the Meeting is also not annexed to this Notice.
3. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Member as part of their KYC. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their Demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company's Registrar and Share Transfer Agent.
4. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to shivharijalancs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
5. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or M/s. Link Intime India Pvt Ltd the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019 except in case of request received for transmission or

transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio Management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt Ltd for assistance in this regard.

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

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

## Thirtieth Annual Report 2020 - 2021

10. As per SEBI Directive, in case of failure to register the PAN and bank account details as aforesaid, any transaction in the securities of the Company shall be subject to enhanced due diligence by the Company/ RTA, as may be prescribed.
11. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by Central Depository Services Limited (CDSL), on all resolutions set forth in this Notice. The facility of electronic voting system shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through electronic voting system. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 9<sup>th</sup> November, 2021 are entitled for remote e-voting on the Resolutions set forth in this Notice. Any person who is not a Member as on the cutoff date should treat this Notice for information purposes only.
12. The process and manner for e-voting and other details are also sent with Annual Report and forms part of the Notice.
13. All documents referred to in the Notice will be available for inspection in electronic mode from the date of circulation of this Notice up to the date of AGM, i.e. 16<sup>th</sup> November, 2021. Members seeking to inspect such documents can send an email to [cs@suditi.in](mailto:cs@suditi.in).
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 ("Act") and the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.
15. The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>th</sup> November, 2021, to 16<sup>th</sup> November, 2021, (Both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 9<sup>th</sup> November, 2021 through email on [cs@suditi.in](mailto:cs@suditi.in). The same will be replied by the Company suitably.
17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.suditi.in](http://www.suditi.in), and websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
18. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act.
19. Members are requested to:
- Intimate to the Company's Registrar and Share Transfer Agent/Depository Participant, changes, if any, in their respective addresses along with Pin Code number at an early date.
  - Quote folio numbers/DP ID – Client ID in all their correspondence.
  - Consolidate holdings into one folio in case of multiplicity of folios with names in identical order.
  - Update Bank details with the Registrar and Share Transfer Agent / Depository Participant to avail receipt of dividend if any by ECS/ NECS facility.
20. Non-Resident Shareholders are requested to inform the Company immediately about:
- The change in the Residential Status on return to India for permanent settlement;
  - The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
21. M/s. Shivhari Jalan & Associates, Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
22. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
- Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards) is given below:

Name of Director	Shri. Pawan Agarwal
DIN	00808731
Date of Birth	19.02.1965
Age	About 56 years
Date of Appointment	12.09.1991
Expertise in specific Functional areas	Shri Pawan Agarwal has more than three decades of experience in the finance, marketing & other related matters particularly with reference to manufacture and export of garments.
Qualifications	A graduate in Commerce
Directorships held in other companies (Excluding Foreign Companies)	R. Piyarellal Pvt. Ltd. Lehar Investrade Pvt. Ltd. Intime Knits Pvt. Ltd. Black Gold Leasing Pvt. Ltd. Suditi Sports Apparel Limited Suditi Design Studio Limited SAA & Suditi Retail Pvt. Ltd.
No. of Shares held in the company	11279991
Relationship between director inter-se	Shri Pawan Agarwal is not related to any director of the company.
Other Details	Shri Pawan Agarwal has widely travelled and attended various forums, exhibitions etc. in respect of promotion of export of garments from his group companies.



**EXPLANATORY STATEMENT**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), and also the revised Listing regulations sets out all material facts relating to the business mentioned at Item Nos.3 to 7 in the accompanying Notice dated 1<sup>st</sup> October, 2021:

**Item No.3:**

The Auditors were appointed for a term of 5 years beginning from the financial year 2017-18 to hold office up to thirty first AGM to be held in the year 2022. The Auditors firm is a reputed professional organization with experienced partners having wide special areas of work like assurance & Audit services, Taxation, Due diligence, Valuation, Corporate Advisory services including amalgamations & mergers, restructuring of businesses. The Firm is incorporated in 1977, and having an experience of more than 30 years with branches located at important cities like Delhi, Chennai, and Mumbai etc. with Head Office located at Kolkata. The Firm is empanelled with RBI, SEBI, IRDAI and NHB. The board found their credentials appropriate for the company considering the requirement, size and structure of the company. The Audit committee after review had recommended which was accepted by the board duly approved by the shareholders in their meeting held in the year 2017.

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

Audit Fees : 4.25 Lakhs

Tax Audit and tax related matters : 1.25 Lakhs

Certification and quarterly reviews : 2.90 Lakhs

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

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

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

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

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

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

**Item No.4:**

The Company intends to change its Registered Office from Mumbai to Navi Mumbai the shifting of register office to the Navi Mumbai office will enable the company to centralise all its office activity in one premises. As the shifting of Registered Office is outside the local limits, approval of the shareholders is required to be obtained. The Board of Directors in their meeting held on 1<sup>st</sup> October, 2021 approved the shifting of Registered Office from "Shah & Nahar Ind Estate A-2unit No 23/24, Dhanraj Mills Compound, LowerParel, Mumbai, Maharashtra 400013 India." TO "C-253/254, MIDC, TTC INDL. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705". Hence Directors propose the resolution for the approval of the shareholders.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this resolution.

**Item No.5 & 6:**

The Authorized Share capital of the Company presently Rs. 25,00,00,000 ( Rupees Twenty Five Crore) comprising of 2,50,00,000( Two Crore Fifty Lakh) equity share of Rs. 10/-(Rupees Ten) each and it is desirable to increase the Authorized capital of the Company from Rs. 25,00,00,000 ( Rupees Twenty Five Crore) comprising of 2,50,00,000( Two Crore Fifty Lakh) equity share of

Rs. 10/-(Rupees Ten) To Rs. 30,00,00,000 ( Rupees Thirty Crore) comprising of 300,00,000 (Three Crore) equity share of Rs. 10/-(Rupees Ten) each and consequential alteration in the capital clause of Memorandum of Association of the Company.

The proposed increase in the Authorized Share capital requires the approval of members in the General Meeting.

The Board of Director recommends that the item no.5 and 6 be passed as Ordinary and Special Resolution respectively.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this resolution.

**Item No.7:**

The company has undertaken transaction with related parties as stated in the details provided below on "Arms Length" basis not detrimental to the interest of the company. The transaction executed so far are within the limits of the special resolution passed in the Extra Ordinary General Meeting held on 06/03/2018 by the shareholders. However since the subsidiary companies and associate company have recorded significant growth in their business, the existing threshold limits with related parties needs a further revision as the company would be undertaking supply of fabrics and finished garments or such other Job work services and vice versa at market rates or on "Arms Length" basis with these companies. Under section 188 of the Companies Act, 2013 (the Act), and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 sanction of the shareholders is required for enabling the Board of Directors to undertake related party transactions beyond a particular limit. Even though the transactions entered by the company are within the threshold limit of 10% of Annual gross turnover till date and the terms are at "Arms Length" basis, the company as a matter of abundant precaution seeks the approval of the members by way of special resolution granting permission to the Board to carry out the transactions beyond the threshold limit of 10% including those undertaken by the company so far. The company now proposes to obtain the approval of the members for ratifying as also for giving approval to the Board of Directors or its duly constituted committee.

Sl. No	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction executed from April 2020 to March 2021	Applicability Period sought in the Resolution
1	Black Gold Leasing Pvt. Ltd.	Company in which Directors are Interested	Sale/ Purchase of Fabrics & Finished Garments including avail/ render related services as well as office & estate management services.	Sale of Goods Rs.47.75 lacs Purchase of Goods Rs. 29.28 lacs	2020-21 to 2025-26
2	Suditi Sports Apparel Ltd.	Subsidiary Company	Sale/ Purchase of Fabrics & Finished Garments including related & other services.	Sale of Goods Rs.91.76 lacs Purchase of Goods Rs.7.38 lacs	2020-21 to 2025-26

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

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Shri. Pawan Agarwal (being the appointee) and his promoter group of shareholders, is in any way, concerned or interested, in the resolution set out at Item No.7 of the Notice.

The Board recommends the resolution as special resolution as set out at Item No. 7 of the Notice for approval by the shareholders.

The members may please note that as per the listing agreement, the related parties as defined thereunder will need to abstain from voting on the resolution under Item no. 7.

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

Place: Mumbai  
Dated: 01/10/2021

H.Gopalkrishnan  
Company Secretary

Registered Office:  
A-2, Shah Nahar Estate,  
Unit No.23/26, Lower Parel,  
Mumbai - 400 013.



## Thirtieth Annual Report 2020 - 2021

### CDSL e-Voting System – For Remote e-voting and e-voting during AGM

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.suditi.in](http://www.suditi.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. [www.evotingindia.com](http://www.evotingindia.com)).
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- The voting period begins on 13<sup>th</sup> November, 2021 (9.00 a.m. (IST)) and ends on 15<sup>th</sup> November, 2021 (5.00 p.m. (IST)). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 9<sup>th</sup> November, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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

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

- In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the CDSL e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account.</li> </ol>



	<p>After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>	<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>										
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>	<p>Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.</p>	<p>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL</p>										
<table border="1"> <thead> <tr> <th>Login type</th> <th>Helpdesk details</th> </tr> </thead> <tbody> <tr> <td>Individual Shareholders holding securities in Demat mode with CDSL</td> <td>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</td> </tr> <tr> <td>Individual Shareholders holding securities in Demat mode with NSDL</td> <td>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</td> </tr> </tbody> </table>	Login type	Helpdesk details	Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.	Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30	<table border="1"> <thead> <tr> <th>Login type</th> <th>Helpdesk details</th> </tr> </thead> <tbody> <tr> <td>Individual Shareholders holding securities in Demat mode with CDSL</td> <td>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.</td> </tr> <tr> <td>Individual Shareholders holding securities in Demat mode with NSDL</td> <td>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</td> </tr> </tbody> </table>	Login type	Helpdesk details	Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.	Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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<p>(v) Login method for e-Voting and joining virtual meeting for <b>shareholders other than individual shareholders holding in Demat form &amp; physical shareholders.</b></p> <ol style="list-style-type: none"> <li>The shareholders should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>.</li> <li>Click on "Shareholders" module.</li> <li>Now enter your User ID             <ol style="list-style-type: none"> <li>For CDSL: 16 digits beneficiary ID,</li> <li>For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</li> <li>Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.</li> </ol> </li> <li>Next enter the Image Verification as displayed and Click on Login.</li> <li>If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier e-voting of any company, then your existing password is to be used.</li> <li>If you are a first-time user follow the steps given below:</li> </ol>	<p><b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b></p>												

## Thirtieth Annual Report 2020 - 2021

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>	(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>	<p>(xvi) <b>Facility for Non – Individual Shareholders and Custodians –Remote Voting</b></p> <ul style="list-style-type: none"> <li>Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and register themselves in the “Corporates” module.</li> <li>A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>.</li> <li>After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.</li> <li>The list of accounts linked in the login should be mailed to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> and on approval of the accounts they would be able to cast their vote.</li> <li>A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.</li> <li>Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; <a href="mailto:cs@suditi.in">cs@suditi.in</a> (designated email address by company), if they have voted from individual tab &amp; not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.</li> </ul>

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

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

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot



may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

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

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

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

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

**DIRECTORS' REPORT:**

Dear Shareholders,

The Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the Audited Financial statements for the year ended at 31<sup>st</sup> March, 2021.

**Financial Results: (Standalone)**

(Rs. in Lakhs)

Particulars	Current Year Ended 31.03.2021	Previous Year Ended 31.03.2020
Revenue from operations	5056.25	9573.83
Other Income	8.65	54.83
Gross income	5064.90	9628.66
Profit / (Loss) before Interest and Depreciation	(896.47)	616.37
Finance Cost	461.05	389.48
Profit / (Loss) after Finance Cost	(1357.52)	226.89
Depreciation	156.75	206.67
Profit / (Loss) before Tax	(1514.27)	20.22
Provision for Tax	-	18.83
Profit / (Loss) after Tax before extra ordinary items	(1514.27)	1.39
Deferred Tax provision	3.78	(0.48)
Comprehensive income/Net of expenses	0.56	13.74
Net Profit/(-) Loss	(1517.50)	15.61
Add: Brought forward from the previous year	2436.91	2061.51
Adjustment on account of Ind AS requirements	-	-
Amount available for appropriation	919.41	2077.12
Transfer to Securities Premium / ESOP	-	373.98
Less Dividend Paid	-	11.78
Less Tax Paid on Dividend	-	2.42
Balance carried to Balance Sheet	919.41	2436.91

**Operations:**

The year 2020-21 was a pandemic year and operations of the company was crippled due to the impact of the pandemic and the lock down on the economy of the country. As was anticipated the company could not operate at the optimum level and for the major part of the year the operations were below 50% capacity. The situation has deteriorated further in the current year when the second wave started engulfing the whole country. The market was absolutely in a bad shape as the malls and shops were operating under heavy restrictions. Many social events and festivals were celebrated in a much mutated manner and since the company is into the manufacturing and selling of clothing and apparels, these events are the major source for creating huge demand for the clothing materials and apparels. Further since the pandemic is global issue and affected all the nations in the world alike, the export demand was also very weak throughout the year. This has affected the demand for fabrics in our processing unit. The sales declined by around 48% on value basis and the retails business was practically very negligible throughout the year. Now the company is anticipating a major boost on the demand side at least from the last quarter of the year 2021. The government has taken many stimulus measures in their fiscal plan. The company could avail some special financial assistance in the form of ECLGS loan from the existing bankers to manage the impact of the COVID 19

## Thirtieth Annual Report 2020 - 2021

crisis. Apart from this the company has taken some austerity measures to bring down the cost of operations in line with the reduction in the operational capacity of the units. In spite of all these adverse conditions also the company could retain its ground to a large extent and closed the year with a reasonable sales figures with an operational capacity of almost less than 50 % capacity on an average. Since the company had to absorb significant losses generated by the Retail business activities and the depletion in the value of the stock, the company has reported very high level of losses for the year 2020-21.

The company has not executed any new licentiate agreement during the year under review and therefore the business activities will largely focus on the existing Licentiate arrangements only. However one of the subsidiary companies is now focusing more on the Licentiate front and executing various form of agreements with different sports entities to boost their activities at the earliest. Once the pandemic situation eases the company is anticipating a significant growth in the sales business activities under licentiate arrangement. However in the post pandemic period the company would be more focusing on garment manufacturing and fabric sales activities as the retails business will be more under Licentiate arrangement which will be looked after by the subsidiary company. Therefore for the present the thrust is more on the on-line sales network/e-commerce and this was one of the reason that the company could still manage the operations during the pandemic period. There are no major disputes other than sales tax assessments which are pending in the respective tribunals/ assessing authorities.

### **Dividend:**

In view of significant losses reported for the year 2020-21, and also considering the prevailing uncertainty in the economic and market conditions due to COVID 19 pandemic the board has decided not to recommend, any dividend for the year under review.

### **Covid 19 pandemic:**

The COVID-19 pandemic has caused immense disruptions on the global economic and business environment throughout the year 2020-21. When the situation started improving slowly, the pandemic again struck the nation with its second wave. The second wave was very disastrous and the situation is now looking very grim all over the country. There is again a huge uncertainty with respect to its severity and the likelihood of third wave, which cannot be reasonably ascertained. The Company has evaluated and factored in the possible effects in its working including the likely impact that may result from this COVID-19 pandemic over a period of time 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 31<sup>st</sup> March, 2021.

The resultant impact of any event and development occurring after the balance sheet date on the date of the financial results for the quarter and year ended 31<sup>st</sup> March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

The COVID-19 pandemic has affected the livelihood of the large chunk of population in the country from the last year March 2020. The company has lost almost 48% of its business for the year 2020-21, because of the impact of this pandemic. However, the impact assessment due to COVID-19 is a continuous process even at this point of time given the uncertainty associated with the nature and duration. The Company will be closely monitoring all the material changes as the situation evolves. The operations of the Company are still running at suboptimal levels. The operations are expected to remain impacted until—(a) The market conditions and customer sentiments improves; (b) the supply chain stabilizes; (c) the liquidity and credit flows improves as a support system to counter the impact of pandemic and (d) The consistency in the availability of adequate manpower.

However in view of the adverse impact on the Industry the government has announced some relief measures which needs to be extended for units with more than Rs.25 crores bank loan facilities. The company has already taken some remedial measures internally to level the operational capacity with the cost of

maintaining the units in operation.

### **Export Sales:**

In view of the prevailing pandemic conditions there were no significant exports sales activities undertaken by the company and accordingly there are no export sales reported during the year under review. However as stated in the previous year, in view of the pandemic conditions the year under review cannot be considered as a yardstick as the entire world continue to reel under the adverse impact of COVID 19 pandemic. The competition and differential tariff structure followed in many developed countries continued to remain as a blockade for the growth of a healthy textile market and created a negative impact on the price segment of the textile items. However in view of the present situation, the company continued to remain focused mainly on the domestic market and monitored the export market developments. Hence the company continued to maintain the communication channels open with the buyers in the export market and the necessary steps will be initiated at the appropriate time. However the positive changes in the global economic conditions particularly in the US and European economies can only accelerate the growth in the export of garments and apparels. In the meantime the company is also pursuing with various reputed overseas buyers to align with their brands in their market to promote the exports in large volume.

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

### **Licentiate Rights:**

The company has at present licentiate rights with FC Barcelona, Manchester City, PSG Paris and NBA properties USA. In view of the pandemic situation, the market conditions remained grim and there were no major product development activities under licentiate rights. The company is mainly trying to push the existing products and the market has responded favorably for these products also. However since there were intermittent disturbances in the market, no major sales plan could take place. However in view of its uniqueness the company is still a recognized name in India for this particular segment of garments. Based on the past experience and also taking into account the strengths and weakness of these business models, the company is always on the move to add more such licentiate arrangements through its subsidiaries. This will ensure that there are always some effective brands under its umbrella throughout the period to ensure growth in the Retail business. Further the association with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh is also continued. In view of the prevailing pandemic conditions, the prospects for these products are yet to be assessed as many sporting events are either postponed or cancelled. Therefore for the year 2021-22 also the company is not anticipating any favorable outcome from these ventures even though the situation is likely to improve in the last quarter of the year. The company would be taking a cautious approach and formulate the plan accordingly after the ease of the pandemic situation.

### **Joint Venture:**

The joint venture arrangement with M/s. Project Anushka Sharma Lifestyles Pvt. Ltd. (PAS Lifestyles Pvt. Ltd.) a company promoted by celebrity actor Mrs. Anushka Sharma and her family under the brand name "NUSH" is continued and the situation is expected to become normal only after some relief is noticed in the pandemic situation. The year under review was not very favorable for the joint venture in view of poor market conditions and the subsequent



pandemic situation. The financial results are consolidated with SIL results. The company will be taking some detailed evaluation of the joint venture to understand the future prospects of the sales activities in the post pandemic period.

**Expansion:**

In view of the prevailing situation and also as per the plan the company has not made any significant capital expenditure barring some addition of garment machines during the year under review. However the company will be setting up another garment unit at Vapi in Gujarat state to supplement the existing production facility in view of significant growth in demand for the garments manufactured by the company. The investment in the new unit will not be significant initially and will be within the range of around Rs.1.2 Crores only. The machines will be procured under TUF loan facility. Apart from this, in view of the prevailing pandemic situation there is no major capital expenditure program envisaged for the current year and any addition of balancing equipment or replacement of old machinery and equipment will be undertaken only after assessing the necessity.

**Human Resources & Industrial Relations:**

The human resources development is an important aspect and critical for the development of any organization. It consists of attraction, retention and development of talent in a systematic manner to fulfill the requirements of the organization. The company follows various programs to provide focused development of job skills. The company believes that the best method to develop human resources is through promotion of talent internally by job rotation and job enlargement. The Industrial relations with the employees at the Company's plant at MIDC, TTC Industrial Area, Pawne Village; Navi Mumbai and in the other locations continue to remain healthy and cordial.

**Shifting of the Registered Office:**

The Board of Directors at their meeting held on 1<sup>st</sup> October, 2021 has decided to shift subject to the approval of shareholders in the Annual General Meeting the registered office from Mumbai region to Navi Mumbai region where the factory and administrative office of the company is situated. This will enable the company to centralize

all activities at one place. Accordingly the registered office of the company will be shifting from Shah & Nahar Ind Estate A-2unit No 23/24, Dhanraj Mills Compound, LowerParel, Mumbai, Maharashtra 400013 India to C-253/254, MIDC, TTC INDL. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705 Necessary resolution proposing the same for approval is placed in the notice calling the 30<sup>th</sup> Annual General Meeting for the approval of the shareholders.

**Share capital:**

During the year under the company has not allotted any shares under SUDITI ESOP PLAN 2011 to employees. Accordingly the subscribed, issued and paid-up capital remains at Rs.17.55 Crores.

The Board of Directors at their meeting held on 1st October, 2021 proposed the resolution for Increasing the Authorized Capital from Rs. 25,00,00,000 ( Rupees Twenty Five Crore) comprising of 2,50,00,000 (Two Crore Fifty Lakh) equity share of Rs. 10/-(Rupees Ten) each To Rs. 30,00,00,000 ( Rupees Thirty Crore) comprising of 300,00,000( Three Crore) equity share of Rs. 10/-(Rupees Ten) each subject to the approval of shareholders in the Annual General Meeting. This will enable the Company to augment resources for its expansion and the other activities. The necessary resolution is placed for the approval of the shareholders.

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

During the year under review the company has not issued any shares to any employees under SUDITI ESOP 2011. The company had made the first grant of options to the employees in the year 2013 under the Suditi Employee Stock Option Plan 2011. Subsequently, the company has further granted additional 13000 no. of options in the year February 2017 and also made another special grant of 111605 options in the month of February 2017 on the eve of Silver Jubilee year celebrations to some selected employees. Each option is equal to one share at par (Rs.10/- each) being the price fixed for exercising the right. There are no options pending for vesting or exercise and entire grant has been vested and exercise till the date of 31<sup>st</sup> March 2021. The company has not made any new grants other than those stated above. The details are as follows:

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

The disclosure of the details is as follows:-

- (a) Options granted & accepted; 377805
- (b) The pricing formula: At par
- (c) Options vested: 377805
- (d) Options exercised: During the year under review, no options are exercised under the SUDITI ESOP PLAN 2011
- (f) Options rejected and lapsed: 158085 (consists of 97600 options rejected and 60485 options lapsed)
- (g) Variation of terms of options: NA
- (h) Money realized by exercise of options: 0
- (i) Total number of options in force: 0
- (j) Employee wise details of options granted to:
  - (i) Senior managerial personnel: 251000 (includes total 152000 options granted to Executive Director (55000), Company Secretary (50000) & Chief Financial officer (47000) and no other Director is granted any options under Suditi ESOP Plan 2011).
  - (ii) Any other employee who receives a grant in any one

- year of option amounting to 5% or more of option granted during that year: Nil
- (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil
- (k) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share': NA.
- (l) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed:
 

As there are no options granted, vested or pending for exercise, there will not be any impact on account of this. Hence the same is not calculated and provided:
- (m) Weighted-average exercise prices and weighted-average fair

## Thirtieth Annual Report 2020 - 2021

values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: NA

- (n) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information: NA
- Risk-free interest rate: NA
  - Expected life: NA
  - Expected volatility: NA
  - Expected dividend: NA
  - The price of the underlying share in market at the time of option granted: NA

### Particulars of Employees:

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

### Meetings:

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

### Board Evaluation:

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

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

A declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been submitted to the Board every year in the first Board Meeting of the year including for the year 2021-22. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and making disclosure of such appointment in the Board's report. In the opinion of the Board the independent directors fulfill the conditions specified in the Regulations and are independent of the management.

### Remuneration Policy:

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

### Managerial Remuneration:

- Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Enclosed as Annexure II)
- Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The

statement of the name of the top ten employees in terms of remuneration drawn is given in Annexure II). Further the statement showing the requisite information pursuant to the Companies (Appointment of Managerial Personnel) Rules 2014 is not annexed herewith as there are no employees covered by the rule (2)(i) (ii) & (iii).

- Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. Nil
- There are no disclosures to be made as the directors (except the whole time Director), are not in receipt of any remuneration or stock options other than sitting fees and reimbursement of expenses incurred for attending the meeting. The details are furnished separately in the corporate governance report.

### Details of Subsidiary/Joint Ventures/Associate Companies:

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

### Summary of Sales:

(Rs. in Lakhs)

Particulars	Suditi Industries Limited	Suditi Design Studio Limited (Subsidiary)	Suditi Sports Apparel Limited (Subsidiary)	SAA & Suditi Retail Pvt Ltd.	Consolidated
Sales	5056.25	26.86	61.85	49.59	5,012.79*
Profit/(loss)	(1517.50)	(218.12)	(19.30)	(527.54)	(2,282.46)*

\* Consolidated sales figures are arrived net of Inter Company sales.

### Going concern concept:

The impact of the Covid 19 pandemic has resulted into deep slump in the sales business activities of the subsidiaries has a direct impact on the performance of the holding company as they also sources their part of the material requirement from the Company at the best prevailing market rate on arms length basis. Apart from this the losses incurred by the subsidiaries and joint venture will also affect the holding company's earnings directly as like the subsidiary companies because the investments of the holding company gets eroded as reflected in the consolidated financial statements. The financial results of the subsidiary/joint venture companies are taken on "Going concern concept".



a) Suditi Sports Apparel Limited.

As stated above M/s. Suditi Sports Apparel Limited, has just commenced their sales business activities and expected to pick up the sales business in the following years barring any further adverse conditions on account of Covid 19 pandemic. During the year the company has executed many licentiate agreements with some reputed sports clubs and entities with a view to expand the production and sales of apparels and garments of various designs and styles. Further to strengthen the board of directors the company has inducted three additional persons and out of the three members one person is independent and not related to the promoters or any directors of the company. Apart from that the Company in order to augment additional Resources has offered 19,50,000 equity shares @ Rs 10/- each aggregating to Rs. 1.95 Crore on right basis to the existing shareholders. Considering the projections based on the future prospects the management consider it appropriate at this juncture to maintain the company as a going concern and do not consider any need to value the company for making necessary provisions to account for the impairment in the value of the investments.

b) Suditi Design Studio Limited.

M/s. Suditi Design Studio Limited even though has commenced the business in full swing from 2015-16, the company's net worth is eroded substantially due to the loss in the Retail business activities. The Management is of the view that considering the prevailing pandemic situations in the country and also the slump prevailing in the retail sector due to the economic slowdown the loss incurred by the company cannot be considered as a yardstick to measure the financial strength because of the following major reasons. A) The company being a new entrant in the retail sector needs at least minimum of 3 to 4 years to stabilize the position in the market b) The company in spite of incurring losses in the Retail business has successfully established its brand name in the market for its products C) The Holding company and the promoters group are extending strong support in all the spheres of activities apart from financial and marketing support. D) The company cannot consider the present situation to assess the viability of the company as the world itself is passing through severe Crisis due to Covid 19 Pandemic and the business sentiments are at the lowest level throughout the country. Accordingly the management has considered it appropriate to treat the company as a going concern.

c) SAA & Suditi retail Private Limited.

The Joint Venture Company M/s. SAA & Suditi Retail Private Limited has commenced the operations in the year 2017 and has completed just three years only in the business. Although the company has generated some marginal surplus in the year 2018-19, during the year under review the company had incurred significant losses due to sluggish market conditions in the country. Since it is backed by the joint venture partner promoted by the celebrity actor Mrs. Anushka Sharma and Suditi industries Ltd, the company could establish its name in the market which otherwise generally takes more than four years to establish and generate adequate profits. Accordingly the Management is of the view that considering the economic situation prevailing in the country, the loss incurred by the company cannot be considered as a yardstick to measure the financial strength as the prospects for the company can be assessed only based on the performance in the post COVID period. Accordingly the management has considered it appropriate to treat the company as a going concern.

**Deposits:**

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

**Energy, Technology and Foreign Exchange:**

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

**Directors & the Key Managerial Personnel:**

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

**Directors' Responsibility Statement:**

The Directors hereby confirm: -

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Loss of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a 'going concern' basis;
- v) That the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- vi) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively;

**Corporate Governance:**

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

**Cost Audit:**

In view of the new Companies (Cost Records & Audit) Rules 2014 and amendment thereof, the company is out of the purview of the Cost Audit Report Rules.

**Auditors:**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Chaturvedi & partners, Chartered Accountants, were appointed as statutory auditors of the Company for a period of 5 years from the conclusion of the Twenty Sixth Annual general Meeting to till the conclusion of the thirty first Annual general Meeting, subject to ratification of their appointment at every Annual general Meeting. Accordingly necessary resolution to this effect is proposed in the notice calling 30<sup>th</sup> Annual General Meeting for the approval of the members which otherwise is not mandatory in view of the amendments to the Companies Act 2017.

**Secretarial Audit Report:**

In terms of Section 204 of the Companies Act 2013 and the rules



## Thirtieth Annual Report 2020 - 2021

made there under, Shri. Shivhari Jalan Practicing Company Secretary had been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure separately to this report. The report is self-explanatory and does not call for any further additional comments since the comments are addressed separately in this report.

### Internal Audit & Controls:

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

### Vigil Mechanism:

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

### Risk management policy:

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

### Extract of Annual Return:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 for the financial year ended 31st March, 2021, will be available on the website of the Company.

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

There are no material changes other than the continued impact of the COVID 19 pandemic and the functioning of the plant and operations at lower capacity levels. The situation is yet to improve significantly as the company is still operating much below the capacity levels. The details of these are already reported separately in the report.

### Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

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

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

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

management the present mechanism followed in the company is adequate and effective. The details are also stated in the Management discussion and analysis report annexed herewith and form part of this report.

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

There are no loans/guarantee or security provided during the year under review. However the Company has subscribed to the Right offer made by the subsidiary Company M/s. Suditi Sports Apparel. Accordingly applied for 11,60,000 Shares of Rs.10 each amounting to Rs. 1.16Crore. The details of investments made till date are as follows: - Details of Investments:-

Sl No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
1	01/04/15	Suditi Sports Apparel Ltd.	4 lakhs	Business activities	16/01/2015	NA	8 %
2	01/04/15 14/03/16	Suditi Design Studio Ltd. ----- do -----	4 lakhs 82 Lakhs	Business activity Development of Business activity	16/01/2015 11/02/2016	NA NA	8 %
3	05/10/17	SAA&SUDITI Retail Pvt. Ltd.	5 lakhs	Business activities	05/10/2017	NA	1.0 %

### Particulars of contracts or arrangements with related parties:

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

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

The Policy on Related Party Transactions is available on the Company's website and can be accessed at <https://suditi.in/wp-content/uploads/2019/04/Related-Party-Transaction-Policy.pdf>.

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

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

The company has set up a separate internal compliance committee under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Internal Complaints Committee is empowered to look into complaints relating to sexual harassment at work place of any women employee. Accordingly the Company has adopted a policy for prevention of Sexual



Harassment of Women at workplace and the Committee ensures that the said policy is properly implemented all over the company. During the year Company has not received any complaint of harassment.

**Corporate Social Responsibility (CSR):**

As per the provisions of the companies Act, 2013 the company has constituted a separate committee in the year August 2019 to formulate the CSR policy and ensure the compliance of the same as per the provisions of the Companies act 2013. The Committee consists of 3 members and the details are provided separately in the Corporate Governance section of this report. As per the audited accounts the company for the year 2019-20, the company is required to spend an amount of Rs.7.20 Lakhs during the year 2020-21 and accordingly the company has spent an amount of Rs.9.75 lakhs in the month of March 2021. The surplus spend shall be carried forward and will be adjusted against the amount to be spent subsequently. Apart from this the company needs to spend another amount of Rs.9.51 lakhs pertaining to the profits computed based on the Financial Results of FY 2018-19. However in view of the prevailing circumstances the company has not made the expenditure of the same. The details are separately provided in the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

**Transfer of amounts to Investor Education and Protection Fund:**

There is an amount of Rs.404207/- lying unpaid and unclaimed in the unpaid dividend account due to be transferred to Investor Education and Protection Fund (IEPF) by November 2021. Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM, with the Ministry of Corporate Affairs.

**Listing with Stock Exchange:**

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

**Statement on compliances of secretarial standards:**

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

**Appreciation:**

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 01.10.2021

**PAWAN AGARWAL**  
CHAIRMAN

**Annexure I**

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules and forming Part of the Directors Report for the year ended 31<sup>st</sup> March 2021.

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

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

**a) Conservation of Energy:**

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

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

**(b) Technology absorption:**

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

## Thirtieth Annual Report 2020 - 2021

### (c) Foreign exchange earnings and Outgo:

(Rs. in Lakhs)

Particulars	Current Year (2020-21)	Previous Year (2019-20)
Total Foreign Exchange used	52.14	14.01
Total Foreign Exchange earned (FOB Value)	-	-

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 01.10.2021

**PAWAN AGARWAL**  
CHAIRMAN

#### Corporate Governance:

#### Report of the Directors on Corporate Governance:

#### Company Philosophy:

The corporate governance systems are followed in the company with a view to achieve long term strategic goals. The company strive hard to meet the aspirations of all the stakeholders (like shareholders, employees, customers, suppliers, government and the community at large) by duly complying with the legal and regulatory requirements. It covers the morals, ethics, values, parameters, conduct and behavior of the company and management. It is the system by which companies are directed and controlled by the management in the best interests of the shareholders and other stakeholders ensuring greater transparency and better timely financial reporting. The company follows and practices the corporate governance policies and procedures based on the norms laid down by the Board within the overall framework of Acts, Rules and Regulations including SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

#### Board of Directors:

The Board is constituted in accordance with the various provisions of the Companies Act including amendments from time to time and also in compliance with the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 including the applicable amendments enacted from time to time. The details are furnished in the table given below. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he is a Director.

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

#### Composition of Board of Directors:

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

Name of the Director	Date of Appointment	Executive or Non-Executive	Independent	Total No. of Director ships (including SIL)	No. of other outside Committee		Name of the listed entities where the person is a director (Category of Directorship)
					Membership	Chairperson	
Shri Pawan Agarwal	01/02/2015*	Non-Executive	No	8	-	-	-
Shri Vivek Gangwal	01/04/2019**	Non-Executive	Yes	3	-	-	-
Smt Sanjula Sanghai (Women Director)	31/03/2015	Non-Executive	Yes	7	-	-	-
Shri. Rajagopal Raja Chinraj	01/06/2018	Executive	No	2	-	-	-

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

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

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

#### Brief profile of Directors:-

##### Shri Pawan Agarwal

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

##### Shri Vivek Gangwal

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

##### Smt Sanjula Sanghai

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

##### Shri. Rajagopal Raja Chinraj

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



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

**Responsibilities and role of Independent Directors:**  
 The Independent directors have a crucial role in the implementation of Corporate Governance policies and practices as per the requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 and other applicable laws in the company. They continue to enrich the Board with their vast experience and knowledge and take active part in the deliberations during the meetings of the Board and committees. Apart from those stated in the statutes and regulations the Independent directors are also responsible for ensuring that the company discharges its obligation towards the society and the public in general.

**Board Meetings:**  
 The Board Meetings are held once in every quarter to review the quarterly results and apart from this additional meetings are also held to consider any specific agenda of items wherever necessary. The Board Meetings are conducted in accordance with the provision of Companies Act, 2013 and also in accordance with the regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 particularly with respect to those items listed in the Schedule II Part-A of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Senior Management Personnel & Auditors are also intimated to attend the Board meeting, to provide additional inputs to the items being discussed by the Board. Notice and Agenda for the meeting along with relevant notes/explanations are circulated in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. The company also complies with the requirements of the Secretarial standards on the meeting of the Board of Directors.

Five Board Meetings were held during the year from 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

On Intimation, leave of absence is granted to those directors who remains absent in the meeting.

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
10/06/2020	4	4
11/09/2020	4	4
25/09/2020	4	4
13/11/2020	4	4
12/02/2021	4	4

Name of Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 30 <sup>th</sup> December 2020
	10/06/2020	11/09/2020	25/09/2020	13/11/2020	12/02/2021		
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vivek Gangwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smt. Sanjula Sanghai	Yes	Yes	Yes	Yes	Yes	No	No
Shri. Rajagopal Raja Chinraj	Yes	Yes	Yes	Yes	Yes	Yes	Yes

**Details of Directors being appointed/re-appointed:**  
 The Chairman, Shri. Pawan Agarwal retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Apart from Shri Pawan Agarwal, there are no other directors appointed or re- appointed.

**Board Committee:**  
 In compliance with the requirements under various Acts &

## Thirtieth Annual Report 2020 - 2021

Regulations the Board has constituted the following committees Viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Risk Management committee and Compensation committee. This enables the board to provide specialized and focused attention relating to all the activities falling within the terms of reference including the assignments of its Members thereof.

### Audit Committee:

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

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

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

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

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

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

Name of Director	Category	Attendance at the Committee Meetings held on				
		10/06/2020	11/09/2020	25/09/2020	13/11/2020	12/02/2021
Shri. Vivek Gangwal	Non-Executive	Yes	Yes	Yes	Yes	Yes
Shri. Rajagopal Raja Chinraj	Executive	Yes	Yes	Yes	Yes	Yes
Smt. Sanjula Sanghai	Non-Executive	Yes	Yes	Yes	Yes	Yes

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present in the last Annual General Meeting held on 30<sup>th</sup> December 2020.

### Nomination & Remuneration Committee:

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

During the year under review the committee met once in the year on 13<sup>th</sup>. November 2020. The board has accepted the recommendations of the committees which are mandatorily required to be accepted. The Committee had reviewed the terms of the appointment and the elements of remuneration payable to the Wholetime Director (Executive Director) and accordingly recommended to the Board to continue the same without any modifications in view of the prevailing circumstances due to the pandemic.

Name of the Director	Salary	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri. Pawan Agarwal	-	-	7500	-	7500
2. Shri. Rajagopal Raja Chinraj	1610000	-	-	-	1610000
3. Shri Vivek Gangwal	-	-	7500	-	7500
4. Smt. Sanjula Sanghai	-	-	7500	-	7500

### Criteria for making payment to Non-Executive Directors:

Non-Executive Directors are paid only Sitting Fees & Travelling and other conveyance expenses for attending the Board &

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

### Remuneration Policy:

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

The Committee also reviews the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. The compensation policy of the company also includes performance-oriented incentives for various staff and executives in the organization. Whole-time Directors compensations are recommended by the Committee in accordance with the various provisions of the Companies Act and Rules & regulations. Non Executive Directors have not drawn any remuneration from the Company except sitting fees for the Board Meetings attended by them. Details of remuneration paid to the Directors during the financial year ended 31<sup>st</sup> March 2021 is given below:

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

Committee Meetings. Apart from this they are not entitled for any remuneration. However, Directors are entitled for commission on the profits as and when decided by the Board, subject to the



provisions of Companies Act, 2013 and its amendments and other applicable rules & regulations. The policy related to managerial remuneration approved by the Board is placed on the website of the Company.

**Compensation committee:**

The board has constituted a Compensation Committee to administer the SUDITI Employees Stock Option Plan 2011 (SUDITI ESOP PLAN 2011). Shri Vivek Gangwal is the Chairman of the committee and other two members are Smt. Sanjula Sanghai and Shri. Pawan Agarwal. The committee had met once during the year under review on 12<sup>th</sup> February 2021 to review the plan. All the directors have recorded their presence and the committee taken note of the present status of the pending stock options and decided to keep all the plan on hold in view of the prevailing circumstances. The committee manages the entire aspects of the SUDITI ESOP PLAN 2011 and advises the Board from time to time on the various issues related to the SUDITI ESOP PLAN 2011. The board accepts all the mandatory recommendations of the committees.

**Stakeholders Relationship Committee:**

The Stakeholders relationship Committee is constituted with 3 Directors. Shri Vivek Gangwal is the chairman of the committee and the other two members are Shri Pawan Agarwal and Smt. Sanjula Sanghai. The terms of reference covers the matters specified under Part D of Schedule II to Regulation 20(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. The Committee is entrusted with the task of approval of transfers, transmission, splitting, and consolidation of shares as well as to form separate sub committees as per the need of the circumstances to focus on any specific matters and report to the committee. The Committee also closely monitors the redress of Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend including initiatives to reduce the quantum of unclaimed dividend etc. The committee also reviews the process, standard operating procedures, and initiatives taken by the Company relating to investor services including the measures taken for effective exercise of voting rights by shareholders. The committee ensures that all transfer/transmission/ split/ consolidation etc are promptly attended and completed within the stipulated time period. The committee also reviewed all the amendments brought under Listing Regulations as well as under Companies Act in respect of investor's related matters and procedures. The board has accepted the recommendations of the committees which are mandatorily required to be accepted.

During the year under review, there were 2 meetings recorded by the committee and the details are given below.

Meetings were held on 11/09/2020, 16/03/2021.

Name	No. of Meetings attended During the year	Attended all the Meeting
Shri Vivek Gangwal	2	Yes
Shri Pawan Agarwal	2	Yes
Smt. Sanjula Sanghai	2	Yes

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

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

**Corporate Social Responsibility Committee:**

The board has constituted a Corporate Social Responsibility Committee (CSR Committee) in accordance with the requirements under the Companies Act 2013 and its rules and amendments. The committee consists of three members with Shri. Pawan Agarwal as Chairman of the committee. The other two members are Shri. Rajagopal Raja Chinraj and Smt. Sanjula Sanghai. The committee is entrusted with the task of framing a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in the Schedule VII of the Companies Act 2013. The company has come under the purview of Section 135 in view of the profits declared in the Audited Financial results for the year 2018-19. The committee has met once on 30<sup>th</sup> March 2021 and considered and recommended the revised CSR policy to the board for their approval. Further they also approved for the release of amount to be spend under the amended CSR act and rules. All the members recorded their presence in the meeting.

**Independent Directors' Meeting:**

During the year under review, the Independent Directors met on February 12, 2021, inter alia, to discuss:

Evaluation of the performance system for Non-independent Directors and the Board of Directors as a whole.

Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.

Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

**Performance Evaluation:**

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

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

There is no change in the remuneration payable to Shri Rajagopal Raja Chinraj Wholetime Director & CEO from the date of appointment in view of prevailing pandemic conditions and the consequent unfavourable market conditions in the textile and apparels industry. The remuneration payable to Mr Rajagopal Raja Chinraj is furnished below:-

## Thirtieth Annual Report 2020 - 2021

### Shri. Rajagopal Raja Chinraj

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

#### Vigil mechanism/ Whistle blower policy:

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

#### Prevention of insider trading:

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

#### Annual General Meeting:

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

AGM	Financial Year	Date and Time	Venue of AGM
29 <sup>th</sup>	2019-20	December 30, 2020 at 3.30 p.m.	Virtual meeting through VC/OAVM provided by the Central Depositories Services Ltd.
28 <sup>th</sup>	2018-19	September 30, 2019 at 3.30 p.m.	Walchand Hirachand Hall, 4 <sup>th</sup> floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai – 400 020.
27 <sup>th</sup>	2017-18	September 26, 2018 at 3.30 p.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Fort, Mumbai – 400 001.

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

Since the 29<sup>th</sup>. Annual General Meeting was held through VC/OAVM, there were no Special Resolutions passed in that meeting. Further there were two Special Resolutions passed

in the 28<sup>th</sup>. Annual General Meeting, apart from other Ordinary Resolutions. There were seven Special Resolutions passed in the 27<sup>th</sup>. Annual General Meeting apart from another Ordinary Resolution passed under special business. Except these resolutions, no other Special Resolutions were passed in the last three Annual General Meetings.

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

#### 2019-20

No special Resolution was passed in the 29<sup>th</sup>. Annual general Meeting.

#### 2018-19

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

#### 2017-18:

- 1) Appointment of Shri. Rajagopal Raja Chinraj (DIN No: 00158832) as a Director & Whole-time Director.
- 2) Appointment of Smt. Sanjula Sanghai (DIN No: 00049344) as an Independent Director.
- 3) Approval for keeping any one or more of the index of members, debenture holders and other security holders if any, the Register of members and other related transfer registers of the Company at the office of the Registrar and Share transfer Agent of the company and to allow inspection of the same as required under the Act.
- 4) Consent to the Board of Directors or Board constituted committees to amend, alter, defer, cancel, modify or terminate all the clauses of the Suditi Employees Stock Option Plan 2011 (SUDITI ESOP 2011) or in Part.
- 5) Authorization to the Board to undertake certain Related Party Transactions.
- 6) Authorization to the Board to finalize the terms and conditions in respect of the Borrowings.
- 7) Authorization to the Board to finalize and execute debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings.
- c) Passing of Special Resolutions by Postal Ballot:

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

#### Code of Conduct:

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

#### Communication and relationship with Shareholders:

The company follows a proper and modest system of communication with the Shareholders. The Annual Report which inter-alia includes the Directors Report, the Report of the Board of Directors on Corporate Governance, Management Discussion, and Analysis Report, the Audited financial results etc. and the Chairman's statement (in the AGM with physical presence) are the link and used as the most important means of communications



with the Shareholders. Further, adequate efforts are made to respond promptly to the shareholder's request for any information or enquiry from company and its R&T Agents. Annual General Meeting is used as the principal forum for direct interaction with the Shareholders. The Company understands the importance of the role played by Shareholders and hence encourages for open and active dialogue with all its Shareholders.

The company also informs the shareholders about the important and significant developments on a quarterly basis while publishing the quarterly financial results in the Free Press Journal in English and Navshakti daily in Marathi. Apart from this, announcement of Board meeting, E-voting and book closures are also published in the newspapers as per the listing requirement. The Annual report containing relevant details as required under Listing regulations as well as Companies Act 2013 including its amendments is sent well in advance to each and every shareholder, stock exchanges and to the respective financial institutions. Further the Company has also undertaken campaign to inform the Shareholders about transfer of shares into IEPF A/c on account of Dividend not claimed by them as per the Companies Act, Rules & Regulations. The company maintains a website for the benefit of all the stakeholders where the company displays all the major notices and other relevant corporate information like management policies, code of conduct as well as unpaid dividend details.

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

Details of Directors proposed to be re-appointed at the 30<sup>th</sup> AGM are provided as an annexure to the notice convening the said AGM.

**Disclosures:**

1) Related Party Transaction:

During the year under review, there are no materially significant transactions entered by the company, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or their relatives etc. except the transactions entered in the normal course of business on "arm's length basis". The necessary disclosures are provided by the Key Managerial Personnel relating to material, financial, and commercial transactions where they and/or their relatives have personal interest. Further, the Company ensures that the terms and conditions in respect of related party transaction are not prejudicial to the interest of the Company. During the year under review sales/purchase transactions between associate companies severally did not exceed in value in the aggregate of 10% of the total sales/purchase of the Company. The Audit Committee has reviewed the related party transactions as mandatorily required under Regulation 23 of the Listing regulations and found them materially not significant. The detail report of the same is provided as annexure to this report as well as separately in the Notes to Accounts of the Audited Financial Results 2020-21.

2) During the year the company has prepared all the financial statements as per the requirement of Ind AS. Further the Company has not observed any significant variation in the accounting treatment from that prescribed to be followed generally in the preparation of the financial statements and complied with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Account Rules 2014 to the extend applicable. The significant accounting policies which are consistently applied as per Ind As requirements have been set out in the "Notes to the Financial Statements".

3) The familiarization program followed for independent Directors are generally an informal one. The Independent Directors are

given familiarization program individually by the Chairman and this includes apprising about the status as well as the prospects of the company Vis a Vis industry to enable them to understand and contribute significantly towards the growth of the organization and the presentations are also given to them to update about the functioning of the units.

- 4) The company recognizes the concept of Board Diversity and adopted the policy to recognize the benefits of diverse board. Sincere efforts are still continued to strengthen and widen the base of the Board to enhance quality and professionalism in the discharge of its duties.
- 5) The funds raised earlier under convertible debenture are already deposited with M/s. H.T Media Ltd. as per the terms of the media and subscription agreement which will be utilized toward advertisement in print and non-print media for brand building exercise over a period of 4 annual terms. The details of amount of expenditure till 31.03.2021 is Rs.43,34,284/-.
- 6) It is hereby confirmed that, in the opinion of the Board the independent directors fulfill the conditions specified in the Regulations and are independent of the management.
- 7) During the year there is no fresh appointment or resignation of any new Director.
- 8) None of the Directors are debarred or disqualified from appointment as Director and Certificate from Practicing Company Secretary – Shri Shivhari Jalan is attached herewith.
- 9) The board has accepted the recommendations of all the committees which are mandatorily required to be accepted.
- 10) The total fees paid to the Statutory Auditors for all services rendered by them to the company and its subsidiaries on a consolidated basis amounts to Rs.9.05 Lakhs.
- 11) Details of non-compliance, penalties, strictures by SEBI / Statutory Authorities /Stock Exchanges on matters relating to capital markets during the last 3 years.

The Company has also complied with the requirements of regulatory authorities on capital markets and also in respect of whistle blower policy regarding access to Audit Committee. During the year in view of pandemic and the lock down, the offices of the company remained closed during the first quarter period. Hence there was a delay in the submission of Audited financial results for the 4<sup>th</sup> quarter and year ended 31<sup>st</sup> march 2020 and Un-audited Financial Results for the first quarter ended 30<sup>th</sup>.June 2020. Accordingly the Stock Exchange BSE Limited has issued notice asking the company to pay the penalty amount of Rs.89000/- pertaining to the delay in the submission of the Audited Results for the 4<sup>th</sup>. Quarter/year ended 31<sup>st</sup>.March 2020 and another notice asking the company to pay Rs.59000/- pertaining to the delay in the submission of the Un-Audited Financial Results for the 1<sup>st</sup>. Quarter/period ended 30<sup>th</sup>.June 2020. The company made necessary representation for waiver of the same to the BSE Limited explaining the reason for the delay in the submission of the Results. Further the Exchange also submitted the notice for only part of the period of delay and subsequently there were no further proceedings initiated by the Exchange. However for the delay in the submission of the first quarter ended 30<sup>th</sup>.June 2020 financial results the exchange apart from sending the notice also issued further notice intimating follow up action for non –payment of the penalty. The company considering the follow up action intimated by the exchange made the payment of Rs59000/- towards the delay in the submission of the Q1 results in spite of the representation made by the company for waiver of the same. Apart from these cases, there were no penalties or strictures imposed on the Company by any Stock Exchanges, SEBI or any statutory authority on any matters relating to capital markets during the last 3 years. The company has complied with all mandatory requirements stipulated under the provisions of the Listing regulations as amended from time to time.



## Thirtieth Annual Report 2020 - 2021

### General Shareholder Information:

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

### Auditors Certificate on Corporate Governance:

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

### Risk Management Committee:

Every organisation follows some method of Business Risk Evaluation and Management systems to regularly monitor the risk elements in the business. The Company has a modest risk management policy with a framework to identify, monitor and minimize risks as also identify business opportunities.

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

Oversight of risk management performed by the executive management;

Reviewing the BRM policy and framework in line with the legal requirements and SEBI guidelines;

Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;

Defining framework for identification, assessment, monitoring, and mitigation as well as reporting of risks.

The Management does not envisage any risk associated with commodity price or foreign exchange as there are no hedging activities undertaken by the Company. The board has accepted the recommendations of the committees which are mandatorily wherever applicable and required to be accepted. The composition of the Risk management Committee as at March 31, 2021 and details of the Members participation at the Committee Meeting are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 13/11/2020
Shri. Pawan Agarwal	Chairman	Present
Shri. Vivek Gangwal	Director	Present
Shri. R. Chinraj	Executive Director	Present
Shri. Vikas Sharma	Head Marketing	Present
Shri. Tarinicharan Sahu	Accounts Head	Present

Mr. Tarinicharan Sahu resigned from the services of the company.

### CEO/CFO Certification:

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

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

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

- a. I have reviewed the financial statement and cash flow statement for the year ended 31<sup>st</sup> March, 2021 and to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

- ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. I also certify that to the best of my knowledge and belief, there are no transactions entered into by Suditi Industries Ltd., during the year; which are fraudulent, illegal, or in violation of the Company's Code of Conduct.
- c. I along with the chairman of the company are responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
  - i) Significant changes, if any, in internal controls during the year.
  - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
- f. All the Directors and Senior Management Personnel have confirmed compliance with the code of conduct/ethics for the year ended 31<sup>st</sup> March 2021.
- g. I further confirm that all Board members and designated senior management personal have affirmed compliance with their respective Code of Conduct for the Directors and senior management for the financial year ended 31<sup>st</sup> March 2021, as approved by the Board.

**SUDITI INDUSTRIES LIMITED**

Place: Mumbai  
Date: 01.10.2021

**RAJAGOPAL RAJA CHINRAJ**  
ED & CEO

### OTHER REQUIREMENTS

- 1 In respect of the Discretionary requirements as specified in Part E of Schedule 2 (Regulation 27(1) of SEBI (LODR) requirements 2015), the Company has complied only with respect to unmodified audit opinion and reporting of Internal Auditor to the Audit Committee.
- 2 The Company has constituted a Compensation Committee as required under the applicable rules and regulations for SUDITI ESOP PLAN 2011 and the details are already provided in the Corporate Governance Report. Further the company has also constituted a Corporate Social Responsibility Committee and the details are already provided in the Corporate Governance Report.
- 3 As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields and no separate formal training program is given.
- 4 The quarterly/half yearly and Annual Financial Results, Code of Conduct etc., are also displayed in the website of the Company for the information of Shareholders/members and general public. The quarterly/half yearly results are also



reported to Stock Exchange and published in National newspapers in English and in Marathi newspapers having wide circulation. The same are not sent separately to Shareholders of the Company.

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

**Management Discussion and Analysis Report:**

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

**Overview:**

The financial year 2020-21 closed in the backdrop of Covid19 pandemic crisis. The anticipation that the pandemic will end by the end of third quarter of 2020-21 did not come through and the pandemic instead of stopping the spread, exploded with more virulent manner as a second wave resulting in the lockdown and restrictions for movement of men and materials all over the country. The performance was affected severely during the first wave and the units were slowly recovering from the crisis from January 2021. But the impact of second wave has again disrupted the situation before the company could regain its position. The performance of the company was affected severely due to this pandemic as the results speak itself for the same. Further because of the continued pandemic the markets were not very favorable and the company had to liquidate stocks at high discounts. Therefore there is substantial reduction in the overall turnover and the company has reported significant losses for the FY 2020-21. The retail business has taken the major hit because of unfair competitive discount structures offered by the market players. Added to this the global market situation was also not very attractive for the company. Hence there were no export businesses during the year under review. The company had focused mainly on the domestic business and managed its operational cycle in view of the sluggish market and unfavorable economic conditions.

The crisis erupted all over the world on account of COVID 19 Pandemic is still continued and the outcome of the same is still not ascertainable as on this date. The company monitors the situation carefully on a day to day basis and necessary steps are taken according to the changes in the circumstances. Even the country's overall industrial sector particularly MSME sector is facing the maximum brunt of this pandemic crisis. Considering the present situation the company is not expecting any significant growth during the year 2021-22 also. However comparing to other countries in the world, India still remains a major force to reckon with in spite of this pandemic situation. The government initiatives and support to the industrial sector particularly MSME sector is expected to give a big boost to the sagging economy on account of COVID 19 in the post pandemic period. However the global conditions may not become very attractive immediately because of the on-going tussle among the powerful economies of the world coupled with the risk associated with recovering time from COVID 19 crisis. Hence the global textile sector particularly Apparels and garments will not

get any immediate respite from the sluggish market conditions.

**Significant Financial Events of the Year:**

During the year under review, the Company has recorded loss of Rs.1514.27 Lakhs in comparison to Profit before Tax of Rs.20.22 Lakhs pertaining to corresponding previous year. There is considerable variation in the results in comparison to previous year because of lower sales turnover. While there is a significant reduction in the turnover, the cost of operation continues to remain high for which one of the main reason is the prevailing economic conditions in the market due to Covid 19 pandemic. The company had to offer heavy discounts to liquidate the inventory in the retail business. The impact of the pandemic had affected the performance of the company through the year. In the post pandemic period, the apparels and garment sector is expected to grow at the rate of around 15% in the country and barring any unforeseen situations, the company is optimistic to make a significant progress in the future. The company continues to have the licentiate arrangements with NBA Properties-USA and PSG-Paris in addition to the other earlier arrangements like FC-Barcelona. The company is hopeful of achieving significant growth in the sales business under this label post pandemic period. There are no credit ratings taken except the credit rating taken for bank credit facilities which has downgraded the ratings due to the present crisis.

Similarly the performance of the subsidiaries is also not very encouraging due to prevailing uncertain market conditions. The subsidiary company M/s. Suditi Sports Apparels Ltd. has just commenced the sales business activities during the end period of the last quarter of 2020-21. However the other subsidiary company M/S. Suditi Design Studio Limited although had commenced the sales business activities earlier, has not recorded any significant sales business during the year 2020-21 due to the pandemic crisis. As stated in the previous reports, the subsidiary company has added new licentiate arrangements with few sports entities during the year under review in spite of the pandemic crisis. Further the performance of the process house, printing unit and the garment unit continue to remain affected due to the pandemic. The company continued various initiatives and because of these measures the garment unit is now operating with full capacity and the outlook of the garment unit looks very encouraging in view of strong customer order position. After considering all these factors, and also taking into account the loss reported by the company during the year under review, the board has decided not to recommend any dividend for the year 2020-21.

**Medium term and long term strategy:**

The impact of the COVID 19 pandemic was there throughout the year and because of the severe second wave it is still continuing to disrupt the economy of the country. Because of this the company has rationalized its workforce as a matter of medium strategy to ensure the use of available workforce in the more productive way. The company had to downsize the operations to maintain the balance between margin level and the utilization of capacity level. The overhead expenses and employee strength are maintained at the optimum levels. This has helped the company to survive the crisis period in the last year without losing its market share. The production, procurement plans and inventory levels are monitored and are calibrated to avoid any accumulation of inventory or uneconomical discounts in the sales. The focus is now mainly on Retail business to liquidate the inventory at the best possible rates. The company in view of its limited financial strength and size, as a part of medium strategy decided not to make any investment in terms of expenditure on setting up own retail chains or brand building through advertisement or other mode of sales promotions. The emphasis will be mainly towards direct sales to customer instead of "sale or return" method. As a long term strategy the company will be focusing more on garment manufacturing in volume and selling them directly to reputed E-commerce customers. Further considering the pandemic situation, the company will be

## Thirtieth Annual Report 2020 - 2021

focusing more on garment and fabric manufacturing activities. No new licenses will be sourced as the subsidiary company is focusing totally on these business models. The long term strategy of the company is to become a prominent manufacturer and seller of garments and apparels of wide ranges for customers as well as subsidiary company. The company would be dedicating its efforts towards development of more product ranges for its customers which will make the company a reputed and reliable player in the market for design and development of garments and other dress materials. Any new venture will be examined only after the situation becomes normal in the post covid19 period barring the proposed new garment unit in Vapi Gujarat.

### Opportunities & Threats:

The textile and apparel sector has become the most severely affected among manufacturing sectors due to the novel coronavirus pandemic, which has challenged the world on every front be it economy, health care, politics, planning or social values at large. It is something unprecedented in mankind's history. It is the worst nightmare of policymakers, who on one hand are trying to slow its spread, and on the other, busy in efforts to make it less deadly in terms of its social and economic impact.

When the pandemic struck, the world was totally unprepared to deal with a contingency of such magnitude and was caught napping. To slow the spread of the virus, lockdown seemed to be the only viable option. India also announced a nationwide lockdown in late March 2020 which again enforced in the year 2021 from April due to the outbreak of second wave of the COVID 19 pandemic. The brunt of this lockdown was born by migrant workers, who in no time saw their dreams and livelihood shattered as factories stood idle. The sector severely hit by the pandemic-induced lockdown is the textile and apparel. It contributes 13 per cent to India's total exports, 7 per cent to the industrial output in value terms, 2 per cent to India's gross domestic product (GDP), 15 per cent to export earnings, and offers employment to around 60 million directly or indirectly. The industry was estimated to be worth \$100 billion in January 2020 and includes a wide range of players, including manufacturers, retailers, wholesalers and exporters of cotton textiles, handloom and woolen textiles. It also includes those engaged in the manufacturing of capital goods, such as textile machinery and equipment, dyes and raw materials, finished textiles, fabrics and garments. Exports in the sector from India were projected to reach \$82 billion in fiscal 2020-2021 from \$39 billion in the last fiscal.

The pandemic has not only affected the demand for textile and apparel but also its supply. India is one of the major textiles and apparel exporters (around 60 per cent of the country's exports) to the United States and the European Union (EU) and these markets are hit hard by the virus. Buyers from these markets have either cancelled orders or put them on hold because consumers are locked inside, shopping malls are closed and access to online marketing is restricted. Further as per experts the COVID-19 impact on European and US Apparel Market is estimated that combined US and EU apparel consumption might fall by about \$308 billion, around 45 per cent lower than projected in 2020. The spread of the virus has majorly impacted the textile industry as China, the United States and the EU are huge markets for Indian textile products. The cascading effect of external demand shock along with domestic demand slack resulted in lower production. Many firms were shut down and production fell drastically. The retail prices now will see a jump because sanitization and social distancing measures are going to add to the costs. This will make deficient demand a perennial phenomenon for the industry. The virus has shattered the supply chain at each level

Crises can create new avenues for growth. Companies will have entered the crisis from various positions of strength, so go-forward opportunities will be, to some extent, bound by starting positions. But all companies would do well to take a hard look at the portfolio: Are you playing in the most attractive spaces and channels? Are

you set up to execute effectively to capture demand? Is there an opportunity to consolidate or acquire brands, assets, or capabilities at attractive multiples that would allow you to better serve your core customer? There will be important choices about what brands, partnerships, and organizational changes to pursue—but also about what *not* to pursue. The crisis is poised to precipitate a massive shakeout, and the players that ask and answer the tough questions will be better positioned to revive their business.

While, in the short term, a demand shock has driven a decline in online conversion and sales, we believe that in the longer run there could be permanent shifts in consumer shopping behavior that push more traffic and categories online. For example, in China, new customer segments and markets have gravitated toward e-commerce; the same could happen in other part of the world including India. Retailers could see a broader adoption of e-commerce among previously underpenetrated categories (such as lingerie) and consumer segments (such as baby boomers). Therefore one need to take this opportunity to leapfrog into the digital arena by making it the center of your operating model. Start by revising channel-mix targets and investment allocation to give a greater share to online channels. Accelerate personalization in digital marketing so that you can deliver the same quality of interactions online that consumers are accustomed to in stores. Explore new ways of partnering with e-retailers to gain growth momentum through their channels while protecting your brand equity.

While no one can predict what the "next normal" will be like, we expect a strong desire on the part of consumers to resume their pre-crisis habits once conditions allow. Some themes that have begun to surface in our consumer research and in discussions with CEOs include the following: *All casual, all the time*. Many people will return to a fundamentally different work environment—one in which telecommuting, flexible hours, and an emphasis on work-life balance are new norms. Comfort could become a top consideration in apparel purchases. The trend toward "casualization," which was already strong prior to the crisis, could further accelerate. Secondly a *focus on flexible supply chains, centered on 'made in India.'* Many apparel and fashion companies will look to on shoring or near shoring, as they begin to value a flexible supply chain over a low-cost one. *An evolution in clean beauty.* There could be a shift in what "clean" means in beauty and personal-care products, as consumers increasingly emphasize product safety and quality over organic or all-natural ingredients. It will be critical to keep a close watch on how your consumer base is changing and determine what that means for your brand. There's no denying that the post COVID-19 pandemic will be a difficult period. For some companies, even survival will be a struggle. If, however, apparel and fashion companies lead with compassion and undertake bold actions, they can position themselves not only to weather the crisis but to emerge from it even stronger.

The post-COVID-19 era has provided a big opportunity for the online textile industry. The sales in the online textile industry witnessed a jump in various cities and states of India due to the lockdown to curb the spread of the COVID-19 pandemic.

Clothes are one of the basic needs of existence, which is why even during lockdown, the online textile industry witnessed a boom in sales. The lockdown failed to leave any negative impact on the online textile industry because of its operations in the virtual space, leaving no room for human or physical contact. The online textile industry even registered an increase in sales due to no dependency on the offline industry comprising, for example, the wholesaler, semi wholesaler, retailers, middle persons etc. Due to such an upward trend being witnessed in the online textile industry, retailers with a presence on the internet have a big possibility to become profit multiplier. With all these developments in place, businesses of the online retail industry also witnessed a spike in revenue sheets. During the lockdown, shopping was taking place through the online route and most of the customers were happy



with the online experience. Right from choosing items to trying them, even the return policies created a win-win situation for shoppers on the internet as customers felt very comfortable purchasing their stuff online. It has been predicted by many textile industry experts that the trend of increased sales in the online textile industry will continue to persist in the future as well. And, hence, the birth of online retailer unicorns is imminent.

In 2021, e-retailers will prove to be a big game-changer by playing a pivotal role in the recovery of the Indian economy in the post-COVID-19 era. The Indian textiles and apparel industry have contributed 2.3 percent to the GDP of India, 13 percent to industrial production, and 12 percent to export earnings. Post-COVID-19, as the Indian economy shows green shoots of recovery, the future of the online textile industry looks promising in the wake of increased domestic consumption after a lockdown, in addition to export demand playing an important role. Even the government aims for the textile sector to be the key focus of new policies being framed to achieving the target of a \$5 trillion economy. In Budget 2021-22, the government proposed a scheme for setting up Mega Textile Parks in the country to enable India's textile industry to become globally competitive, attract large investments, and boost employment generation through the creation of world-class infrastructure. Another major trend observed is the steady growth of the global luxury industry over the past 16 years barring this year because of the pandemic and it is commonly believed to be one of the most appealing and profitable industries in the world. In addition to its economic value, luxury fashions brands help develop the best fashion products for the market.

The company is closely monitoring these developments and assesses all these emerging factors while keeping a close look on all the unfavorable factors to ensure that the company is able to utilize the opportunities to the best advantage. The company has a core design and development team engaged constantly on the development work for various brands and customers. The company has built up a strong e-commerce facility for the customers by tying up with reputed online retailers. The subsidiary and joint venture companies are also encouraged to develop the ambitious business plans like selling apparels linked with some special events, as well as with ethnic designs and patterns. In view of inherent strength build up over the last more than two decades, and with the support from the government it is now well placed to meet this challenge and to take substantial advantage of the opportunity that may arise in the global and the local market post pandemic.

**Industry Structure & Development:**

The textiles and apparel industry in India has strengths across the entire value chain from fiber, yarn, fabric to apparel. It is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool and silk products to the organized textile industry. The production of textiles is structured across the organized sector and unorganized decentralized sector. The organized sector consists of spinning mills and composite mills. Composite mills are those where all the activities, i.e., spinning, weaving and processing are performed in the same building. The organized textile industry is characterized by the use of capital-intensive technology for mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing. Weaving is done in unorganized decentralized sector and consists of power loom, handloom and hosiery units which mainly perform weaving. Apart from this, knitting, yarn and fabric processing units are also included in the decentralized sector. The domestic textiles and apparel industry stood at \$108.5 bn. in 2019-20 of which \$75 bn. was domestically consumed while the remaining portion worth \$28.4 bn. was exported to the world market. Further, the domestic consumption of \$75 bn. was divided into apparel at \$55 bn., technical textiles at \$15 bn. and home furnishings at \$5 bn. While exports comprised of apparel exports at \$12 bn. home textiles exports at \$4.8 bn. fabric exports at \$4 bn. yarn exports at

\$3.8 bn. fiber exports at \$1.8 bn. and others at \$2 bn.

There exists a strong complementary relationship between the organized and unorganized sectors of textile industry. The organized sector is the sole producer of yarn which is used by both organized as well as unorganized sector. Organized sector is also named as the modern sector because it is the hub of technology for textile industry as the technological practices employed in this sector enable the spinning mills to produce the yarn cost effectively and helps the unorganized sector by making yarn available to them at competitive prices. Unorganized sector is also termed as the traditional sector because of use of age-old traditional production practices which are now considered obsolete. At the same time, the unorganized sector employs the largest chunk of labour force and has been an important absorber of the surplus labour force from the labour market. In fact, the unorganized textile sector is the second largest employer after agriculture in Indian economy. Unorganized textile sector has also become a dominant contributor to the total textile output. As per the structure of Indian textile industry concern, it ranges from hand spinning and hand weaving to most sophisticated automatic spindles and looms.

Textile and apparel manufacturing is heterogeneous in nature and involves a complex value chain from the production of fiber to finished products. The dynamism in sectorial manufacturing and the growing change in consumer preference and demand pattern across the globe plays a crucial role in influencing manufacturing activities. The rapid change in fashion and the rise in development gains of countries across the world have engendered structural changes in the textile value chain on the one hand and an ever increased demand for textile and apparel on the other. The global production and trade of textiles is primarily dominated by two major fiber-based products, namely cotton and man-made fiber (MMF)-based products. Historically, the textile and apparel production chain was dominated by natural fiber-based products, including cotton, but in the last few decades, MMF-based products have begun dominating global production and trade. The emergence of technical textiles as an important segment and its positive correlation to MMF has further strengthened the domination of MMF as a key ingredient for growth of the textile and apparel industry in the future. It is expected that the production and trade of MMF-based textiles will further grow in the world and act as a major driving force for the industry in the future. Countries having a robust manufacturing base in MMF textiles are expected to excel and strengthen their position in the global market as compared to other or natural fiber-based products. Investing in the textile and apparel market now could yield tangible economic benefits from targeted investments. Sustainable and recycled fibers represent one such opportunity, as they are poised to replace resource-intensive raw materials at an increasing pace. Additionally, technical, smart textiles have enormous potential to be used in several industries such as automotive, construction and medical equipment. Emerging tech, already transformative, will continue to shape the textile and apparel sector. Data applications, artificial intelligence (AI) and machine learning, and 3D printing are some of the technologies enhancing product design processes and reducing lead times, leading to laser-cutting machines, sewing robots, and nanotechnology. Furthermore, COVID-19 has shown the need for block chain technology to create transparency and traceability throughout the supply chain, providing other opportunities within the market. COVID-19 could also fuel a shift to near shoring; ensuring factories are closer to their final sales markets. The future market structure will mainly be determined by a country's location, as well as the ability of its textiles and apparel industry to provide cost-effective production, competitive skills, quality products and efficient lead times. The virus has shown us that the global supply chain is highly fragile and fundamentally susceptible to disruptions. The weak links in the supply chain can pose a great threat to the entire ecosystem on which the textile business rests. The industry across its supply chain needs reorientation and

## Thirtieth Annual Report 2020 - 2021

restructuring towards a more sustainable and resistant web.

An analysis of the trade competitiveness of India's man-made fiber-based textile and apparel sector, based on the Index of Revealed Comparative Advantage, Trade Intensity Index, and Export Similarity Index, for the period 2010-19, revealed that India has a significant advantage in man-made yarns, fibers and technical textiles. A survey of the top 10 export markets indicates that India enjoys a comparative advantage in 53 of 319 products. India has a high trade intensity with the United States and United Kingdom in fabric, apparels, made-ups (including carpets), and technical textiles (including non-woven). Further, India does not face high export competition in this sector.

The Company follows closely all these developments and changes in the structure as well as the business styles in the industry. Flexibility is the key to withstand all these developments. The company has examined the trends and patterns followed in the Retail marketing particularly during these pandemic times and accordingly adjusted its marketing strategy to sustain the crisis due to the pandemic. The company is now in the process of consolidation of its activities rather than focusing on expansion of the Retail business. The manufacturing facilities and product ranges are always upgraded and kept in line with the latest trends and requirements of the market.

### Performance:

Due to the prevailing market conditions and also on account of the impact of the pandemic there is lower sales and also losses reported in the year under review in comparison to the last year. However the performance could have improved if there were no second wave and the normalcy restored as anticipated by the company in the beginning of the lock down in the year 2020-21. The company had not anticipated any major export sales due to sluggish market and economic conditions all over the world. Because of all these factors the company could not report any profits which again can also be attributed due to absorption of some losses from Retail operations.

(Rs.in Lakhs)

	2020-21	2019-20	Percentage Change
Local Sales	5056.25	9573.83	(47.19)
Export Sales	-	-	-
Other Income	8.65	54.83	(84.22)
<b>Total:</b>	<b>5064.90</b>	<b>9628.66</b>	<b>(47.40)</b>

Key Ratios:

Particulars	2020-2021 (Standalone)	2019-20 (Standalone)	2020-21 (Consolidated)	2019-20 (Consolidated)
Debtors Turnover	1.31	2.36	1.30	2.18
Inventory Turnover	1.65	2.77	1.58	2.47
Interest coverage Ratio	(2.28)	1.08	(2.69)	0.49
Debt Equity Ratio	0.24	0.02	0.49	0.05
Operating profit margin (%)	(20.78)	4.37	(25.32)	2.18
Net Profit margin (%)	(0.30)	0.48	(0.45)	(0.24)
Return on net worth (%)	(56.73)	0.37	(148.48)	(5.89)
Current Ratio	1.21	1.32	1.06	1.27

Ratio are re-computed as per the regrouped/reclassified figures.

The Ratios reported are not comparable because of reduction in the sales by around 48% and the consequent losses reported during the year under review. Because of significant losses many ratios have turned into negative which for the purpose of reporting are mentioned in negative figures. Further in respect of key

financial ratios there are some variations in the ratios in comparison to previous year. In view of the lower sales and losses reported on account sluggish market and economic conditions because of the prevailing Covid 19 pandemic conditions the performance of the Company for the year 2020-21 was significantly affected as compared to the previous year. Hence, the ratios are not on a comparable level. In respect of debt equity ratios the variations are primarily on account of conversion of Fully Convertible Debentures into 562500 equity shares at a premium of Rs.70/- each in the month of September 2019. The ratios are expected to be volatile even during the current year as the operations are severely affected due to the Covid 19 pandemic.

The Company has decided to slice down the operations of the Retail division. This will enable the company to bring down the losses substantially to a sustainable level. Since the uncertainty still persists about the end of the pandemic crisis, the company is unable to make any real-time forecast on the prospects of the sales business for the year 2021-22. The Company could manage the crisis due to the special term loan granted by the government under the Emergency Credit Line Guarantee Scheme (ECLGS) and also the support extended by the promoters. Because of all these support, the company is expecting good recovery in the performance levels post COVID 19 period.

### Earnings per share:

The Company's earnings per share for 2020-21 is Rs.(8.64) as against Rs.0.09 during 2019-20.

### Investments/Tangible assets:

The Company continues to hold investment of 2880 Nos. of equity shares of IDBI Bank Ltd., in the Demat form. Further the company has also invested Rs.5 Lakhs (comprising 5000 shares (@ face value of Rs.10/- each) equaling to 50% of the Paid up capital in the Joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. In addition to this the company had also subscribed to the Equity share capital of both the subsidiaries amounting to Rs.90 lakhs (comprising 900000 shares (@ face value of Rs.10/- each). All the assets are insured and maintained appropriately.

### Human Resources:

Human resources are very important factor for the growth of any organization. The company attaches significant importance on this aspect and accordingly certain schemes are followed like productivity based incentive scheme, in-house training and orientation program to improve the productivity in the company. Due to the pandemic conditions the company had to reschedule or keep in abeyance some of these program during the year under review. The Suditi Employees Stock Option Plan 2011 is one of such important plan for employees at certain levels to have better participation from them in the growth of the organization. The strength includes both direct and indirect laborers, which vary from month to month. The overall employee relations in the company remained healthy and cordial.

### Risk and Concerns:

The Indian textile sector is besotted with issues such as lack of technology up gradation, inefficient infrastructure, fragmented industry structure, sluggish demand in major export markets like the USA and the EU due to the vestigial impact of the Global Financial Crisis and rising competition from countries such as Vietnam, Bangladesh, China and Turkey in areas such as apparels, cotton fabric and carpets. All these factors only sought to provide a weak foundation to the sector when it came to weathering the storm of COVID-19 that further complicated the overall impact on this already beleaguered sector.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks, inter alia, are Regulations, Competition, Business risk, Technology Obsolescence,



Retention of talent etc. Business risk, inter-alia, further includes financial risk, Political risk, Legal risk etc. For managing Risk more efficiently the company would need to identify the risks that it faces in trying to achieve the objectives of the Company. Once these risks are identified, the Company would need to evaluate these risks to see which of them will have critical impact on the Company and which of them are not significant enough to deserve further attention. Risk Identification & Mitigation Risks can be identified broadly in the following categories: 1. Business Risks: These are strategic risks that may threaten the existence or the smooth running of the business in the future. 2. Operational Risks: These are risks encountered in the day-to-day running of the business and are mainly mitigated by putting strong business processes with internal controls in place. 3. Financial Risks: The finance function including borrowing, Forex management and hedging, etc. is centralized for the company and hence these risks are for the central finance department. 4. IT Risks: Risk of disruption in business due to failure of Information technology for the company as a whole. 5. Legal Risks: The legal risks for the company as a whole but the mitigation procedures are fairly decentralized depending on the compliance requirements

Risk always results as a consequence of activities or as a consequence of non- activities. Risk Management and Risk Monitoring are important in recognizing and controlling risks. Risk mitigation is also an exercise aiming to reduce the loss or injury arising out of various risk exposures. There is separate dedicated committee to analyze and monitor these risks. There is adequate system for evaluation of risks on a regular basis to ensure that the company is properly safeguarded against various risks. The company has already put in place certain policies and procedures to address some of the risks like financial risks, credit risks, operational risks and hazard risks. The company adopts a systematic approach to mitigate risks associated with accomplishment of objectives, operations, revenues and regulations. The Company believes that this would ensure mitigating risks proactively and help to achieve stated objectives. The Company will consider activities at all levels of the organization and its Risk Management with focus on three key elements, viz., (1) Risk Assessment- detailed study of threats and vulnerability and resultant exposure to various risks. (2) Risk Management and Monitoring - the probability of risk assumption is estimated with available data and information. (3) Risk Mitigation- Measures adopted to mitigate risk by the Company. Further the committee also reviews the systems and data storages & flow of the same by considering the probability of threat to Cyber security.

#### Internal Controls & Systems:

There is adequate internal control and systems in place and the company ensures that all the functions and procedures followed are effective and enables the Company to check any major revenue leakage or wastage of resources. There is regular evaluation of all the Internal Controls Systems and procedures. Further these Systems and procedures are also reviewed by Internal Auditors through checking, inspection and verification. However due to pandemic conditions, there is intensive and detailed control measures followed to ensure the survival of the company. The Internal Auditors follows a comprehensive audit plan to identify various risk, wastage, and revenue leakages apart from identifying any non-compliance of statutory or other legal requirements. The Internal Audit process involves identification of the risks perceived for any particular function. The review and evaluation of the effectiveness of the existing controls are made to ensure adherence to policies, systems, with recommendations for improvement. Apart from this the company has also adequate internal financial control systems that include a risk based framework to ensure orderly and efficient conduct of its business, safeguarding assets and accuracy and completeness of the accounting records, and assurance on reliable financial information. The Audit Committee also reviews the recommendation and suggestions placed before

them and necessary actions are advised accordingly.

#### Outlook:

The impact of the pandemic is very severe on the Indian textile and clothing sector barring some sectors like yarn for a short period. However in 2021, e-retailers will prove to be a big game-changer by playing a pivotal role in the recovery of the Indian economy in the post-COVID-19 era. The Indian textiles and apparel industry have contributed 2.3 percent to the GDP of India, 13 percent to industrial production, and 12 percent to export earnings. Post-COVID-19, as the Indian economy shows green shoots of recovery, the future of the online textile industry looks promising in the wake of increased domestic consumption after a lockdown, in addition to export demand playing an important role. Even the government aims for the textile sector to be the key focus of new policies being framed to achieving the target of a \$5 trillion economy. In Budget 2021-22, the government proposed a scheme for setting up Mega Textile Parks in the country to enable India's textile industry to become globally competitive, attract large investments, and boost employment generation through the creation of world-class infrastructure. With such a massive level of production in the textile sector due to the unprecedented boost by the government, e-retailers are going to be the biggest beneficiary of these developments. The Online shoppers have already tasted the convenience, trust, and comfort of shopping on the internet, and will continue to enjoy and avail benefits in future as well. And, e-retailers will emerge as the biggest winners in this entire success journey of the online textile industry. Further the negative sentiments on China can also add a boost to the textile sector in terms export to Europe and USA. Considering all these factors the business environment for Textile and clothing sector would be very encouraging in the post pandemic period.

The company evaluates all these factors and accordingly taken more sustainable and cost effective measures. The company has the necessary flexibility in the production facility to cope with the new situations in the domestic market. Further since the licentiate line of business chosen by the company has very few competitors the company is looking for a gradual increase in the business as the recovery process starts taking its shape. The company has decided to scale down the retail business activities till the pandemic is completely removed from the country to avoid any further losses. Hence the company is not anticipating any substantial increase in the growth rate of retail garment business in the next one year. This will eventually help the company to increase the profitability of the existing operations as well as to consolidate the position and conserve the resources to meet the demand of the better period ahead of post pandemic. Since India enjoys a better rapport in the global community, this will certainly augurs well for the Indian T & A Industry.

#### Cautionary Statement:

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

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 01.10.2021

**PAWAN AGARWAL**  
CHAIRMAN

## Thirtieth Annual Report 2020 - 2021

### Shareholders' Information

#### Registered Office:

A-2, Shah, & Nahar Indl. Estate,  
Unit No.23/26, Lower Parel,  
Mumbai – 400 013.to Fac  
(Proposed to be shifting to Factory & Admn. Office)

#### Factory & Admn. Office:

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

#### Knitting and Garment Division:

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

#### Annual General Meeting:

30<sup>th</sup> A.G.M.

#### Date and Time:

16<sup>th</sup> November, 2021 – 3.30 P.M.

#### Venue:

Virtual meeting (VC/OAVM)

#### Financial Calendar (Tentative):

- First Quarter : 2<sup>nd</sup> September, 2021
- Second Quarter/Half year : second week of November
- Third Quarter : Second week of February
- Fourth Quarter/Annual : First week of May  
(In case of un-audited results)  
End of May  
(Audited Results)

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

Quarter	Date of Board Meeting
1 <sup>st</sup> Quarter	25/09/2020
2 <sup>nd</sup> Quarter	13/11/2020
3 <sup>rd</sup> Quarter	12/02/2021
4 <sup>th</sup> Quarter	27/08/2021

#### Date of Book closure:

10.11.2021 to 16.11.2021 (both days inclusive)

#### Dividend payment:

Nil

#### Listing on Stock Exchanges:

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

#### Listing fees:

The Annual Listing fee for the financial year 2020-21 has been paid to BSE Ltd. (The Bombay Stock Exchange)

#### Delisting:

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

#### Share transfers:

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

Relationship committee is entrusted with the task and the details of the committee are stated separately in the report.

#### Nomination facility for shareholding:

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

#### Permanent Account Number (PAN):

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

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

The Company has not recommended any dividend for the year 2020-21. Regarding the unpaid dividend members are requested to contact R&T agents for claiming the amount subject to the provisions of the Rules & Regulations.

#### Dematerialization:

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

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

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2021 is given below:

Particulars	No. of Shares	Percentage
Physical Segment	688960	3.92%
Demat Segment		
NSDL	14267170	81.28%
CDSL	2597993	14.80%
Total	17554123	100.000%

#### Reconciliation of Share Capital Audit:

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

#### Complaints:

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



**Unclaimed Dividend:**

Unclaimed dividend (not due for transfer to IEPF) as on 31<sup>st</sup> March, 2021 is Rs.2337951/-. However there is no unclaimed Dividend account due and pending for transfer to IEPF as on 31/03/2021, except the dividend distributed in the year 2014 and unclaimed for more than 7 years which is due for transfer to IEPF in the month of November, 2021. The Company has already circulated notices to those shareholders who have not claimed their dividends informing that the shares held by these shareholders are also due for transfer to IEPF.

**Market Price Data:**

Source (Website – bseindia.com)

The Stock Exchange, Mumbai.			
Month	Low (Rs.)	High (Rs.)	Monthly Volume
April, 2020	7.65	10.99	46,791
May, 2020	7.89	9.14	17,062
June, 2020	8.49	14.44	40,136
July, 2020	9.50	13.09	1,04,033
August, 2020	9.04	12.14	84,421
September, 2020	8.22	11.28	39,888
October, 2020	7.99	10.63	46,026
November, 2020	8.18	10.50	30,307
December, 2020	9.69	12.75	44,167
January, 2021	10.05	13.85	44,945
February, 2021	10.13	12.83	30,339
March, 2021	9.68	12.33	49,821

**Stock Code:**

Bombay Stock Exchange Ltd. (521113)

**The ISIN Number is:**

INE691D01012 (NSDL & CDSL)

**Share Transfer Agent:**

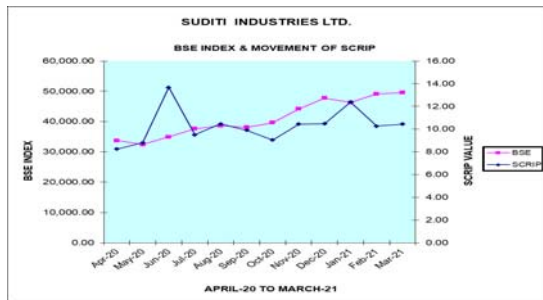
Link Intime India Pvt. Ltd.,  
C-101, 247 Park,  
LBS Marg, Vikhroli (West),  
Mumbai – 400 083;  
Tel: 49186000 / 49186270.  
Email: rnt.helpdesk@linkintime.co.in.

**E-Voting Facility to members:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 30<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL).

**Stock Price Suditi v/s BSE Sensex:**

(Source-R&T Agents)



**Distribution of shareholding as on 31<sup>st</sup> March, 2021:**

Category From To	No. of Cases*	% of cases	Amount	% of Amount
Upto 5000	6699	90.772	8785480	5.005
5001 – 10000	298	4.038	2432030	1.385
10001 – 20000	151	2.046	2316630	1.32
20001 – 30000	79	1.07	1976190	1.126
30001 – 40000	39	0.528	1363670	0.777
40001 – 50000	16	0.217	759310	0.432
50001 – 100000	35	0.474	2558870	1.458
100001 and above	63	0.854	155349050	88.497
<b>Total:</b>	<b>7380</b>	<b>100.000</b>	<b>175541230</b>	<b>100.000</b>
Physical Mode			6889600	3.925
Electronic Mode			168651630	96.075
<b>Total:</b>	<b>7380</b>	<b>100.000</b>	<b>175541230</b>	<b>100.000</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2021:**

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	-	-	-
Foreign Promoters	-	-	-
Non-Resident Indians	158	71039	0.405
Nationalized Banks	5	1200	0.007
Other Bodies Corporate	42	721235	4.109
Directors	2	11386691	64.866
Company Promoters	10	385138	2.194
Individuals / Others	7153	4433512	25.256
Overseas Corporate Bodies / Foreign National	-	-	-
IEPF MCA Account	1	547018	3.116
Clearing Members	9	8290	0.047
<b>Grand Total:</b>	<b>7380</b>	<b>17554123</b>	<b>100.000</b>

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

**Plant Location:**

- C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.
- C-3B, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.

**Address for Correspondence:**

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



## Thirtieth Annual Report 2020 - 2021

### Annexure II

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

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

Executive Director 8.94:1

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

% increase/(decrease) in remuneration of Executive Director (19%)

% increase (decrease) in remuneration of KMP (35%)

% increase/(decrease) in remuneration of median (24%)

c) Number of permanent employees on the rolls of the company as on 31<sup>st</sup> March, 2021 is 127 (including Executive Director).

d) Justification of increase in managerial remuneration with that of increase in remuneration of other employees: There is no increase in the remuneration of any Managerial Persons during the year under review. The revision of the remuneration will be considered by the Board after the recommendation of the Nomination and Remuneration Committee and the committee has not made any recommendation in view of prevailing economic & market conditions.

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

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

**SUDITI INDUSTRIES LIMITED**

**PAWAN AGARWAL**

Place: Mumbai

Date: 1<sup>st</sup> October, 2021

CHARIMAN

#### Annexure II (b)

Sr. No.	Name	Designation	Remuneration (including perquisites)	Nature of Employment	Qualification	Exp (Approx)	Date of Commencement	Age	Last Employment	Whether relative of any Director/ Manager of the Company	No. of Shares held
1	Mr. R.Chinraj	Executive Director (Inducted to the Board and promoted as Wholtime Director w.e.f. 01/06/2018)	1610000	Non- Contractual	B. Tech	45 Years	01.08.2003	25.03.1950	Kasha Synthetics Pvt. Ltd.	No	106700
<b>Top Ten Employees:- (None of the Employees hold shares more than 2% of the Capital of the Company)</b>											
1	Mr. Harsh Pawan Agarwal	Head - Design & Development	1500000	Non- Contractual	Graduate and Diploma in Apparel Design	6 Years	13.02.2019	25.11.1991	Black Gold Leasing Pvt Ltd	Yes	22500
2	Mr. Vikas Sharma	Chief Marketing & Business Development	1059601	Non- Contractual	Diploma In Man Made Textiles Technology From Saurashtra Diploma Sales and Marketing From K.C. College.	30 Years	07.05.2015	02.07.1970	Daiico Textiles & Also Worked as Consultant for many Ready to Wear Brands	No	-
3	Mr. Taimicharan U. Sahu	Chief Accounts Manager	953776	Non- Contractual	ICAI Mumbai, IFRS- Ind AS Certification from ICAI	14 Years	02.01.2020	03.05.1992	Hubtown Ltd.	No	-
4	Mr. Deepak Naik	V. P. Factory	948152	Non- Contractual	INT. COM. DBMMKTG	45 Years	01.12.1992	14.09.1955	Velo Industries	No	52000
5	Mr. H.Gopalkrishnan	Company Secretary	917743	Non- Contractual	AICWA, ACS	35 Years	28.07.2004	08.07.1957	Aarey Drugs & Pharmaceuticals Ltd.	No	50500
6	Mr. Sijaram Singh	Dyeing Manager	853998	Non- Contractual	B. Sc.	21 Years	22.04.2017	10.12.1977	Innovative Textile Ltd.	No	-
7	Mr. Arvind Singh	Merchandising Head	836154	Non- Contractual	Bachelor's Degree in Arts from Purnanchal University (U.P)	18 Years	18.03.2013	16.07.1977	Fingepprints Fashion Pvt Ltd (Inkfruit.com)	No	-
8	Ms. Priteka Chheda	E-Commerce Manager	706218	Non- Contractual	PGDDB (Distance Learning)	14 Years	01.07.2013	06.11.1988	Remanka Apparels Pvt. Ltd	No	-
9	Mr. Sanjay Thakur	Plant Engineer	649235	Non- Contractual	Diploma Electrical Engineering	25 Years	26.03.1996	03.09.1973	First Job	No	10884
10	Mr. Ravi S. Palli	HOD Quality Control	561020	Non- Contractual	PUC 2 Year	33 Years	16.11.2015	06.10.1968	Premier International	No	-



**ANNEXURE III  
EXTRACT OF ANNUAL RETURN  
As on financial year ended 31-03-2021 date  
[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014]  
FORM NO. MGT-9**

**A. REGISTRATION AND OTHER DETAILS:**

<b>CIN :</b>	L19101MH1991PLC063245
<b>Registration Date:</b>	12/09/1991
<b>Name of the Company:</b>	<b>Suditi Industries Ltd</b>
<b>Category / Sub-Category of the Company</b>	Public Company limited by Shares
<b>Address of the Registered office and contact details:</b>	A-2, Shah & Nahar Estate, Unit No.23/26, Lower Parel, Mumbai – 400 013.Tel: 67368600
<b>Whether listed company</b>	Yes - Listed
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Pvt. Ltd. Registered Office:C 101, 247 Park, LBS Marg, Vikhroli (West),Mumbai – 400 083. Tel No. +91 22 49186000 / 49186270. Email: rnt.helpdesk@linkintime.co.in.

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Manufacturing of Clothing accessories, Textile garments	18101	40%
b.	Manufacturing of Knitted cotton textile products, crocheted cotton textile products	17301	60%
c.	Manufacturing of knitted synthetic textile product, corched synthetic textile products	17303	insignificant
d.			

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	Suditi Sports Apparel Ltd	U18109MH2015PLC262790	Subsidiary	80.00%
b	Suditi Design Studio Ltd	U18204MH2015PLC262897	Subsidiary	98.85%
c	SAA & Suditi Retail Pvt. Ltd.	U18203MH2017PTC299895	Joint Venture	50.00%

**D. SHARE HOLDING PATTERN**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2020				No. of Shares held at the end of the year 31-03-2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). Individual	11645312	0	11645312	66.340	11645312	0	11645312	66.340	0
(b). Central/State Govt.		0				0			0
(c). FIINS / BANKS.		0				0			0
(d). Any Other									
Bodies Corporate	19817	0	19817	0.113	19817	0	19817	0.113	0.000
<b>Sub-total (A) (1):-</b>	<b>11665129</b>	<b>0</b>	<b>11665129</b>	<b>66.452</b>	<b>11665129</b>	<b>0</b>	<b>11665129</b>	<b>66.452</b>	<b>0.000</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind		0				0			0
(b).Government		0				0			0
(c). Institutions		0				0			0
(d). Foreign Portfolio Investors		0				0			0
(e). Any Other Specify		0				0			0

### Thirtieth Annual Report 2020 - 2021

Sub-total (A) (2):-			0				0		0
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>11665129</b>	<b>0</b>	<b>11665129</b>	<b>66.452</b>	<b>11665129</b>	<b>0</b>	<b>11665129</b>	<b>66.452</b>	<b>0.000</b>
<b>(B). PUBLIC SHAREHOLDING</b>									
<b>(1).Institutions</b>									
(a). Mutual Funds			0				0		0.000
(b). Venture Capital Funds			0				0		0.000
(c). Alternate Investments Funds			0				0		0.000
(d). Foreign Venture Capital Fund			0				0		0.000
(e). Foreign Portfolio Investors			0				0		0.000
(f). Financial Institutions / Banks	700	500	1200	0.007	700	500	1200	0.007	0.000
(g). Insurance Companies			0				0		0.000
(h). Provident Funds / Pension Funds			0				0		0.000
(i). Others (specify)			0				0		
<b>Sub-total (B)(1):- 0.000</b>		<b>700</b>	<b>500</b>	<b>1200</b>	<b>0.007</b>	<b>700</b>	<b>500</b>	<b>1200</b>	<b>0.007</b>
<b>(2). Central Government/ State Government(s)/ President of India</b>									
Central Government/ State Government(s)	465218	0	465218	2.650	547018	0	547018	3.116	0.466
<b>Sub-total (B)(2):-</b>	<b>465218</b>	<b>0</b>	<b>465218</b>	<b>2.6502</b>	<b>547018</b>	<b>0</b>	<b>547018</b>	<b>3.1162</b>	<b>0.466</b>
<b>(3). Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	636643	52000	688643	3.923	671335	51000	722335	4.115	0.192
(ii). Overseas		0					0		0.000
<b>(a). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh.	1380904	631260	2012164	11.463	1283067	559060	1842127	10.494	-0.969
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	2408725	41600	2450325	13.959	2471510	41600	2513110	14.316	0.358
(b). NBFCs registered with RBI		0					0		0.000
(c.) Employee Trusts		0					0		0.000
(d.) Overseas depositories		0					0		0.000
(c). Other (specify)									
Foreign Nationals	600	0	600	0.003	600	0	600	0.003	0.000
Clearing Members	1710	0	1710	0.010	7190	0	7190	0.041	0.031
HUF	159392	2700	162092	0.923	182075	2900	184975	1.054	0.130
Non Resident Indians (Non Repat)	19242	0	19242	0.110	16073	0	16073	0.092	-0.018
Non Resident Indians (Repat)	41900	45900	87800	0.500	20466	33900	54366	0.310	-0.191
<b>Sub-total (B)(3):-</b>	<b>4649116</b>	<b>773460</b>	<b>5422576</b>	<b>30.891</b>	<b>4652316</b>	<b>688460</b>	<b>5340776</b>	<b>30.425</b>	<b>-0.466</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>5115034</b>	<b>773960</b>	<b>5888994</b>	<b>33.548</b>	<b>5200034</b>	<b>688960</b>	<b>5888994</b>	<b>33.548</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>		<b>0</b>				<b>0</b>			<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>16780163</b>	<b>773960</b>	<b>17554123</b>	<b>100.000</b>	<b>16865163</b>	<b>688960</b>	<b>17554123</b>	<b>100.000</b>	<b>0.000</b>

# SUDITI INDUSTRIES LTD



Company : Suditi Industries Ltd from 01-04-2020 to 31-03-2021

## Shareholding of promoters MGT9 Report

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	PAWAN KISHORILAL AGARWAL		11279991	64.258	0	11279991	64.258	00.000
2	SHALINI PAWAN AGARWAL		209600	1.194	0	209600	1.194	00.000
3	ARCHANA AGARWAL		49500	0.282	0	49500	0.282	00.000
4	RAJENDRA KISHORILALL AGARWAL		26221	0.149	0	26221	0.149	00.000
5	HARSH PAWAN AGARWAL		22500	0.128	0	22500	0.128	00.000
6	TANAY PAWAN AGARWAL		22500	0.128	0	22500	0.128	00.000
7	TANUJ PAWAN AGARWAL		22500	0.128	0	22500	0.128	00.000
8	BLACK GOLD LEASING PRIVATE LIMITED		19717	0.112	0	19717	0.112	00.000
9	MEENA GUPTA		10000	0.057	0	10000	0.057	00.000
10	SHILPA AMIT AGRAWAL		2500	0.014	0	2500	0.014	00.000
11	R PIYARELALL PVT LTD		100	0.001	0	100	0.001	00.000
	<b>TOTAL</b>		<b>11665129</b>	<b>66.453</b>	<b>0</b>	<b>11665129</b>	<b>66.453</b>	<b>00.000</b>

## Change in Promoter's Shareholding(Please specify,if there is no change)

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares at the beginning/ end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	PAWAN KISHORILAL AGARWAL	11279991	64.258	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			11279991	64.258
2	SHALINI PAWAN AGARWAL	209600	1.194	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			209600	1.194
3	ARCHANA AGARWAL	49500	0.282	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			49500	0.282
4	RAJENDRA KISHORILALL AGARWAL	26221	0.149	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			26221	0.149
5	HARSH PAWAN AGARWAL	22500	0.128	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			22500	0.128
6	TANAY PAWAN AGARWAL	22500	0.128	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			22500	0.128
7	TANUJ PAWAN AGARWAL	22500	0.128	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			22500	0.128
8	MEENA GUPTA	10000	0.057	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			10000	0.057
9	SHILPA AMIT AGRAWAL	2500	0.014	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			2500	0.014
10	BLACK GOLD LEASING PVT LTD	19717	0.112	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			19717	0.112
11	R PIYARELALL PVT LTD	100	0.001	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			100	0.001

## Thirtieth Annual Report 2020 - 2021

Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):								
Sr. no.	Name	No. of Shares at the beginning/ end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	HT MEDIA LIMITED	562500	3.204	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	562500	3.204
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	465218	2.650	01-04-2020				
				25-12-2020	80200	Transfer	545418	3.107
				31-12-2020	1600	Transfer	547018	3.116
	AT THE END OF THE YEAR			31-03-2021			547018	3.116
3	NIKHIL VORA	395558	2.253	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	395558	2.253
4	APARNA T CHANDRASHEKAR	334925	1.908	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	334925	1.908
5	GAURAV MAGANLAL GALA	230833	1.315	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	230833	1.315
6	RAJENDRA CHHABILDAS JAIN	161602	0.921	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	161602	0.921
7	MAGANLAL ARJAN GALA	146353	0.834	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	146353	0.834
8	RAJAGOPALRAJA CHINRAJ	106700	0.608	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	106700	0.608
9	LEELA MAGANLAL GALA	96916	0.552	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	96916	0.552
10	TEJASH PATEL	87925	0.501	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	87925	0.501
11	HARIVALLABH MUNDHRA	91410	0.521	01-04-2020				
				21-08-2020	(27837)	Transfer	63573	0.362
	AT THE END OF THE YEAR			31-03-2021			63573	0.362

### Shareholding of Directors and Key Managerial Personnel:

Sr. no.	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
		No. of Shares at the beginning/ end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	PAWAN KISHORILAL AGARWAL	11279991	64.258	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	11279991	64.258
2	VIVEK GANGWAL	-	-	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			-	-
3	SANJULA SANGHAI	-	-	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021			-	-
4	RAJAGOPALRAJA CHINRAJ	106700	0.608	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	106700	0.608
5	HARI GOPAL KRISHNAN	50500	0.288	01-04-2020				
	AT THE END OF THE YEAR			31-03-2021		No Change	50500	0.288



**INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	349979972	-	-	349979972
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition	60039700	-	-	60039700
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	410019672	-	-	410019672
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)				

**REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl.no.	Particulars of Remuneration	Name of MD/WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 *	16,10,000	16,10,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 **	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	16,10,000	16,10,000
	Ceiling as per the Act	Within the Limit	

**B. Remuneration to other directors:**

Sl.no.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	VIVEK GANGWAL	7,500
		SANJULA SANGHAI	7,500
	• Commission		
	• Others, please specify		
	Total (1)		15,000
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	PAWAN KISHORILAL AGARWAL	7,500
	• Commission		
	• Others, please specify		
	Total (2)		7,500
	Total (B)=(1+2)		22500
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	Within the limit	

## Thirtieth Annual Report 2020 - 2021

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	9,17,743	-	9,17,743
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961*	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	9,17,743	-	9,17,743

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any [Give Details]
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

### C. OTHER OFFICERS IN DEFAULT

Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

### Annexure – IV

### FORM NO. AOC -2

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

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

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

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



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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Intime Knits Pvt. Ltd. (Promoter Group Entity)</b>
b)	Nature of contracts/arrangements/transaction	Sale of products & services. Purchase of fabrics & services.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Black Gold Leasing Pvt. Ltd. (Promoter Group Entity)</b>
b)	Nature of contracts/arrangements/transaction	Service agreement executed with the company for office & estate management.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Monthly payment of rent and other charges till the agreement period also Including purchase and sale of gods/services
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>R.Piyarellal Pvt. Ltd. (Promoter Group Entity)</b>
b)	Nature of contracts/arrangements/transaction	Sales & receipt of Job work service/goods.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & job work service as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil



## Thirtieth Annual Report 2020 - 2021

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>B.L.R. Knits Pvt. Ltd. (Promoter Group Entity)</b>
b)	Nature of contracts/arrangements/transaction	Sales & receipt of Job work service.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Suditi Design Studio Limited (Subsidiary)</b>
b)	Nature of contracts/arrangements/transaction	Sale/purchase of goods (Fabrics & Finished Garments) & services.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Suditi Sports Apparel Limited (Subsidiary)</b>
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>SAA &amp; Suditi Retail Pvt. Ltd. (Joint Venture)</b>
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of goods & services as per the prevailing market rates.
e)	Date of approval by the Board	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Chendur Dress Manufacturers Pvt. Ltd. (Company in which a Director is Interested)</b>
b)	Nature of contracts/arrangements/transaction	Sale of products & services. Purchase of fabrics grey & services.
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Product & Services.
		Purchase of fabrics grey & Services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Chendur Enterprises (Entity in which a Director is Interested)</b>
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/Purchase of goods / Services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil
SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Chendur Inc. (Entity in which a Director is Interested)</b>
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2020-21.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

## Thirtieth Annual Report 2020 - 2021

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Velaxmi Exim LLP (Limited Liability Firm in which a Director is Interested)</b>
b)	Nature of contracts/arrangements/transaction	Sale/purchase of Fabrics & Finished Garments including related & other services
c)	Duration of the contracts/arrangements/transaction	2019-20 to 2023-24. Arrangement is for 5 years and the details are for the year 2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale/purchase of Fabrics & Finished Garments including related & other services as per the prevailing market rates on Arm's Length Basis.
e)	Date of approval by the Board	08/08/2019 for a period of 5 years & also approved by shareholders by special resolution in the Annual General Meeting held on 30.09.2019. Further the Board has again noted & approved in principle the transactions pertaining to 2020-21 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 01.10.2021

**PAWAN AGARWAL**  
CHAIRMAN

### ANNEXURE V

#### CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1) **Brief outline on CSR policy of the Company:**

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

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

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

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

Sl No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri. Pawan Agarwal	Chairman	1	1
2.	Smt. Sanjula Sanghai	Independent Director	1	1
3.	Shri. Rajagopal Raja Chinraj	Executive Director	1	1

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: [www.suditi.in](http://www.suditi.in)

4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA

5) Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

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

6) Average net profit of the company as per section 135(5): 35963603

7)

- Two percent of average net profit of the company as per section 135(5): **Rs.719272**
- Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (7a+7b-7c): 719272



8)

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

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer.
975000	nil	nil		nil	

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (Rs. in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.*
1.	NIL	-	-	-	-	-	-	-	-	-	NIL	-
Total												

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

Sr No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1.	Poverty and hunger eradication, self-employment, health care etc.	I,II, & III		Maharashtra	Mumbai	975000	No	Omkar Andh-Apang Samajik Sansha	CSR00003196
Total						975000			

\*In accordance with the applicable provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) CSR Registration Number for Implementing Agencies is applicable only w.e.f April 01, 2021. Hence, the CSR Registration Number is stated as N.A. i.e. 'Not Applicable' for all the implementing agencies in this report which pertains to CSR Activities for the financial year ended March 31, 2021.

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

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	719272
(ii)	Total amount spent for the Financial Year	975000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	255728
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	255728

## Thirtieth Annual Report 2020 - 2021

9)

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

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

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

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

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: There is no creation or acquisition of capital asset during the year under review.-

(Asset-wise details).

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

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

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

**Shri Pawan Agarwal**

**Sd/-**

**Chairman of CSR Committee**



**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

To,  
The Members,  
**Suditi Industries Limited.**  
Shah & Nahar Industrial Estate,  
A-2 Unit No 23/24,  
Dhanraj Mills Compound,  
Lower Parel, Mumbai- 400013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suditi Industries Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Due to COVID -19 lockdown restrictions We have conducted Secretarial Audit from remote location through documents provided us on Email based on said verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

Page 1 of 4

- (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the period under review)
- (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review)
- (h) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the company during the period under review)
- (i) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)
- (j) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the company during the period under review)
- (vi) Other laws applicable specifically to the Company namely:
  - (a) Factories Act, 1948;
  - (b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;
  - (c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
  - (d) Environment Protection Act, 1986
  - (e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;

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

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

*Delay in submission of the financial results within the prescribed period for the quarter ended March 31, 2020. The Company was required to submit the audited financial result for the quarter ended March 31, 2020 on or before July 31, 2020. The Company has submitted audited financial result for the quarter ended March 31, 2020 on September 11, 2020.*

*Delay in submission of the financial results within the prescribed period for the quarter ended June 30, 2020. The Company was required to submit the financial result for the quarter ended June 30, 2020 on or before September 15, 2020. The Company has submitted*

## Thirtieth Annual Report 2020 - 2021

financial result for the quarter ended June 30, 2020 on September 25, 2020.

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

### We further report that:

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

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

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

The Company has received email from BSE Ltd on August 18, 2020 for levy of fines of Rs. 94,400. The Company has not paid the fines of Rs. 94,400 payable by the company to the BSE Ltd. The Company has made request to BSE Ltd for waiver of penalty for delay in the submission of Financial Results on 11.09.2020. The request letter submitted by the company to BSE Ltd is also disseminated by BSE Ltd in corporate announcement section of the Company on 11.09.2020. The waiver application is still pending with BSE Ltd.

The Company has received email from BSE Ltd on October 16, 2020 for levy of fines of Rs. 59,000. The Company has paid the fines of Rs. 55,250 net of TDS to BSE Ltd on 13.11.2020 vide cheque no 025625 drawn on Axis Bank Limited. The Company has made request to BSE Ltd for waiver of penalty for delay in the submission of Financial Results on 25.09.2020. The request letter submitted by the company to BSE Ltd is also disseminated by BSE Ltd in corporate announcement section of the Company on 25.09.2020. Further Post receipt of email the company has also made request to BSE Ltd through email on October 20, 2020 for waiver of fines. The waiver application is still pending with BSE Ltd.

Place: Mumbai  
Date: 20.08.2021  
UDIN:F005703C000809033

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

(Shiv Hari Jalan)  
Proprietor  
FCS No: 5703  
C.P.NO: 4226

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

'Annexure A'

To,  
The Members,  
**Suditi Industries Limited.**  
Shah & Nahar Industrial Estate,  
A-2 Unit No 23/24,  
Dhanraj Mills Compound,  
Lower Parel, Mumbai- 400013.

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for Our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 20.08.2021  
UDIN:F005703C000809033

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

(Shiv Hari Jalan)  
Proprietor  
FCS No: 5703  
C.P.NO: 4226

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,  
The Members of  
**Suditi Industries Limited**  
Shah & Nahar Industrial Estate,  
A-2 Unit No 23/24,  
Dhanraj Mills Compound,  
Lower Parel, Mumbai- 400013.

Due to COVID -19 lockdown restrictions we have examined from remote location though documents provided us on Email, the relevant registers, records, forms, returns and disclosures received from the Directors of Suditi Industries Limited having CIN: L19101MH1991PLC063245 and having registered office at Shah & Nahar Industrial Estate, A-2 Unit No 23/24, Dhanraj Mills Compound, Lower Parel, Mumbai- 400013 (hereinafter referred to as 'the



Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority

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

\*the date of appointment is as per the MCA Portal

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

**Place: Mumbai**  
**Date: 20.08.2021**  
**UDIN: F005703C000808991**

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

**(Shiv Hari Jalan)**  
**Proprietor**  
**FCS No: 5703**  
**C.P.NO: 4226**

**Independent Auditor's Certificate on Corporate Governance**

Ref No. 210902/06/C

**To the Members of SUDITI INDUSTRIES LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 December, 2020.
2. We have examined the compliance of conditions of corporate governance by Suditi Industries Limited ('the Company') for the year ended on 31 March 2021, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility**

3. The compliance of conditions of corporate governance is the

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

**Auditor's Responsibility**

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

**Opinion**

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

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

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

(Siddharth Punamiya)  
Partner

Place: Mumbai  
Date: 02 September, 2021  
Membership No.: 148540  
UDIN : 21148540AAAACK9070



## Thirtieth Annual Report 2020 - 2021

### INDEPENDENT AUDITOR'S REPORT

Ref No. 210827/008/R

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

We have audited the accompanying standalone financial statements of **SUDITI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income) for the period ended on that date, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, of total comprehensive loss (including other comprehensive income) for the period ended on that date, Changes in Equity and its Cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter:

We draw your attention to Note 54 to the Standalone financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters:

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

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



Key Audit matter description	How the scope of our audit responded to the key audit matter
<p><b>Inventory valuation: (Refer to Note j)</b></p> <p>As described in para (j) of the Significant Accounting policies and Notes 39, 40 and 41 on Inventories, the Company carries inventory at the lower of cost and fair value less costs to sell using the weighted average cost basis. The Company provides for changes in value based on estimated inventory usage. This methodology relies upon assumptions made in determining appropriate provisioning percentages to apply to inventory balances.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions by:</p> <ul style="list-style-type: none"> <li>-- verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realizable value, through comparison to vendor invoices and sales prices;</li> <li>-- using data analytics to identify unusual inventory usage characteristics, completing assumption tolerance testing and recalculating the provision in totality.</li> </ul>
<p><b>Contingent liabilities: (Refer to Note 52)</b></p> <p>The Company has ongoing legal matters relating to previous corporate transactions which require management judgement to be applied in order to determine the likely outcome.</p> <p>Judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>In assessing the potential exposures to the Company, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> <li>-- assessing the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>-- reading Board and other meeting minutes to identify areas subject to Company consideration;</li> <li>-- meeting with the Company's internal legal advisors in understanding ongoing and potential legal matters impacting the Company;</li> <li>-- reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.</li> </ul>
<p><b>Retail technology environment, including IT security</b></p> <p>The Company's retail operations utilise a range of information systems. Although Tally is the main accounting software, the other operational retail applications are connected through an interface. The absence of robust and accurate working of these software impacts the correct recording of amounts in Tally which could have an adverse impact on the Company's controls and financial reporting systems.</p>	<p>We continued to challenge and assess changes to the IT environments through the testing of remediated controls and concluding on the sufficiency and appropriateness of management's changes.</p> <p>During the year we have assessed the design and implementation of the Company's controls over the information systems that are important to financial reporting.</p> <p>Where we noted deficiencies, which affected applications and databases within the scope of our audit, we extended the scope of our substantive audit procedures.</p>
<p><b>Other matter:</b></p> <p>Due to the complete Lockdown imposed by the Government to restrict the spread of COVID-19 pandemic, the audit finalization process for the year under report, was carried out from remote locations i.e. other than the office premises of the Company, based on the data/details made available and based on financial information/records remitted by the management through secured digital medium.</p> <p>Our report is not modified in respect of this matter.</p> <p><b>Other Information:</b></p> <p>The Directors are responsible for the other information. The other information comprises the information included in the annual report— Directors Report, Management Discussion &amp; Analysis and Corporate Governance Report— other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our</p>	<p>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.</p> <p>The Chairman's Statement, Directors Report, Management Discussion &amp; Analysis and Corporate Governance Reports are expected to be made available to us after the date of this auditor's report. When we read these reports, if we conclude that the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the laws and regulations.</p> <p><b>Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements</b></p> <p>The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that</p>

## Thirtieth Annual Report 2020 - 2021

give a true and fair view of the financial position, financial performance, total comprehensive income/loss, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Board of Directors of the Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing (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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the Company's internal financial controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks of the books of accounts and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A hereto, a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Rules issued thereon.
  - (e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



(f) With respect to the adequacy of the internal financial control with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.

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

- i. The Company's pending litigation comprise of proceedings pending with Sales Tax and Excise Authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (refer Note No:52 for details on contingent liabilities)
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Siddharth Punamiya)  
Partner

Place: Mumbai  
Date: August 27, 2021

Membership No.: 148540  
UDIN: 21148540AAAACI5159

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

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

- 1) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for assets under installation.
- b. All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

c. According to the information & explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the Company.

2) As explained to us, the inventories of the company have been physically verified at intervals during the year by the management, but the same exercise could not be undertaken at the year-end due to the beginning of the second wave of the pandemic. The physical verification was done subsequently on test basis and alternate procedures were employed to arrive at the status as on 31st March, 2021. Since there was no activity with effect from 16th April, 2021, the book records on that date have been taken for the position on 31st March, 2021. The procedures adopted, as stated above, did not reveal any material discrepancies). In our opinion, the frequency of verification is reasonable.

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

4) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments and has not provided any loans, guarantees, and security as per the provisions of section 185 and 186 of the Companies Act, 2013.

5) During the year, the Company has not accepted any deposits from the Public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under as also the directives issued by the Reserve Bank of India. The Company has complied with the applicable statutory provisions. The Company has not received any order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6) Provisions of Section 148 on Maintenance of Cost Records do not apply to the Company since as explained to us the prescribed limits have not been crossed for the applicability of cost audit and maintenance of Cost Records.

7) a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, value added tax, cess and any other statutory dues to the appropriate authorities. There were no dues outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

b. According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at 31<sup>st</sup> March 2021, the following are the particulars of dues that have not been deposited on account of dispute:

## Thirtieth Annual Report 2020 - 2021

Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending	Financial year to which the amount relates
B.S.T. ACT, 1959	BST	51.01	Asst. Commissioner, Sales Tax,	1996-97
C.S.T ACT,1956	CST	14.16	Asst. Commissioner, Sales Tax,	1996-97
MVATACT,2002	VAT	110.77	Deputy Commissioner of Sales Tax	2005-06
MVATACT,2002	VAT	19.98	Deputy Commissioner of Sales Tax	2009-10
C.S.T ACT,1956	CST	37.15	Deputy Commissioner of Sales Tax	2009-10
C.S.T ACT,1956	CST	43.71	Deputy Commissioner of Sales Tax	2010-11
MVATACT,2002	VAT	5.90	Deputy Commissioner of Sales Tax	2011-12
C.S.T ACT,1956	CST	30.32	Deputy Commissioner of Sales Tax	2011-12
MVATACT,2002	VAT	78.54	Deputy Commissioner of Sales Tax	2012-13
C.S.T ACT,1956	CST	16.60	Deputy Commissioner of Sales Tax	2012-13
MVATACT,2002	VAT	10.85	Deputy Commissioner of Sales Tax	2013-14
C.S.T ACT,1956	CST	26.18	Deputy Commissioner of Sales Tax	2013-14
Excise Act, 1958	Excise	30.84	Commissioner of Central Tax (Appeals)	2013-14
Excise Act, 1958	Excise	1.25	Excise Tribunal	2002-03

- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.
- 9) According to the information and explanations given to us and based on the records and documents produced before us, in our opinion, the Company had availed term loans from its existing Bankers amounting to Rs.6.82 crores under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of Indian (RBI) to support the Companies during the pandemic period which is repayable after 4 years with a moratorium period of 1 year. During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- 10) During the course of our examination of the books of accounts and records of the Company, carried out by us in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) The Company is not a Nidhi Company and in view of the foregoing, the question of reporting on Clause 3 (xii) of the said order does not arise.
- 13) According to the information and explanations given to us, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements, as required by the applicable Ind AS. Refer note no.49 in standalone financial statements for details.
- 14) According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) As per the information and explanations given to us, the company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) As per the information & explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

(Siddharth Punamiya)  
Partner

Place: Mumbai  
Date: August 27, 2021

Membership No.: 148540  
UDIN: 21148540AAAACI5159


**ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT**
**Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to the financial statements of **Suditi Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

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

(Siddharth Punamiya)

Partner

Place: Mumbai  
Date: August 27, 2021

Membership No.: 148540  
UDIN: 21148540AAAACI5159

## Thirtieth Annual Report 2020 - 2021

### Suditi Industries Limited - Standalone Results

Standalone Balance Sheet as at 31-03-2021

(Amount in Rs.)

PARTICULARS	Notes	As at March 31,2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, Plant and Equipment	5	7,63,85,159	8,74,59,552
b. Capital work-in-progress		1,42,26,660	1,28,49,230
c. Other Intangible assets	5	4,11,497	5,21,492
d. Intangible assets under development		20,78,378	20,78,378
e. Financial Assets			
i. Investments			
(a) Investments in Subsidiaries	6	90,00,000	90,00,000
(b) Investments in Joint Ventures	7	5,00,000	5,00,000
ii. Loans	8	8,55,90,038	8,52,11,262
iii. Others financial assets	9	3,44,778	3,36,555
f. Deferred tax assets (net)	10	10,72,309	14,69,550
g. Other non-current assets	11	-	-
<b>Total non-current assets</b>		<b>18,96,08,819</b>	<b>19,94,26,019</b>
<b>2 Current assets</b>			
a. Inventories	12	36,88,47,413	38,11,14,587
b. Financial Assets			
i. Other investments	13	1,11,024	55,584
ii. Trade receivables	14	36,28,31,535	40,90,22,628
iii. Cash and cash equivalents	15	30,71,771	67,02,829
iv. Loans	8	5,16,541	1,45,418
c. Current Tax Assets (Net)	16	76,64,190	70,92,742
d. Other Current Assets	11	8,71,05,332	12,60,80,916
<b>Total current assets</b>		<b>83,01,47,806</b>	<b>93,02,14,704</b>
<b>Total assets</b>		<b>1,01,97,56,625</b>	<b>1,12,96,40,723</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	17	17,55,41,230	17,55,41,230
b. Other equity	18	9,19,41,041	24,36,90,565
<b>Total Equity</b>		<b>26,74,82,271</b>	<b>41,92,31,795</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	19	5,44,71,261	-
b. Provisions	24	48,09,391	32,24,307
c. Other non-current liabilities	20	54,16,323	53,05,901
<b>Total non-current liabilities</b>		<b>6,46,96,975</b>	<b>85,30,208</b>
<b>2 Current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	21	34,14,66,244	34,99,79,972
ii. Trade payables	22		
Micro Enterprises & Small Enterprises		1,56,10,781	2,05,23,425
Others		23,55,05,842	24,23,15,046
iii. Other financial liabilities	23	2,41,93,970	3,43,45,698
b. Provisions	24	6,15,125	12,21,960
c. Other current liabilities	25	7,01,85,417	5,34,92,619
<b>Total current liabilities</b>		<b>68,75,77,379</b>	<b>70,18,78,720</b>
<b>Total liabilities</b>		<b>75,22,74,354</b>	<b>71,04,08,928</b>
<b>Total Equity and Liabilities</b>		<b>1,01,97,56,625</b>	<b>1,12,96,40,723</b>

See accompanying notes to the financial statements

4

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

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344

# SUDITI INDUSTRIES LTD



## Suditi Industries Limited - Standalone Results

### Statement of Standalone profit and loss for the year ended March 31, 2021

(Amount in Rs.)

PARTICULARS	Notes	As at March 31, 2021	As at March 31, 2020
I Revenue from operations	26	50,56,25,256	95,73,83,290
II Other Income	27	8,65,000	54,82,747
<b>III Total Revenue (I + II)</b>		<b>50,64,90,256</b>	<b>96,28,66,037</b>
<b>IV Expenses</b>			
Cost of materials consumed	28	36,19,27,215	61,85,78,975
Changes in stock of finished goods, work-in-progress and stock-in-trade	29	(1,40,44,923)	(5,86,19,581)
Excise duty on sale of goods		-	-
Employee benefits expense	30	3,87,26,370	7,12,58,755
Finance costs	31	4,61,04,911	3,89,48,042
Depreciation and amortisation expense	32	1,56,75,270	2,06,66,734
Other Expenses	33	20,95,28,219	27,00,10,697
<b>Total Expenses (IV)</b>		<b>65,79,17,062</b>	<b>96,08,43,622</b>
<b>V Profit/ (Loss) before tax (III - IV )</b>		<b>(15,14,26,806)</b>	<b>20,22,415</b>
<b>VI Tax expenses</b>			
(1). Current tax		-	18,82,990
(2). Deferred tax		3,78,484	(47,431)
		<b>3,78,484</b>	<b>18,35,559</b>
<b>VII Profit/ (loss) for the period (V- VI)</b>		<b>(15,18,05,290)</b>	<b>1,86,857</b>
<b>Other comprehensive income</b>	37		
A: (i) Items that will not be reclassified to Profit or Loss		74,525	18,36,214
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(18,758)	(4,62,175)
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		-	-
<b>VIII Total other comprehensive income [a+b]</b>		<b>55,767</b>	<b>13,74,039</b>
<b>X Total comprehensive income for the period (VII + VIII )</b>		<b>(15,17,49,523)</b>	<b>15,60,895</b>
Earnings per equity share (for continuing operations):			
(1). Basic (in Rs.)		(8.64)	0.09
(2). Diluted (in Rs.)		(8.64)	0.09
<b>See accompanying notes to the financial statements</b>	4		

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

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344



## Thirtieth Annual Report 2020 - 2021

<b>Suditi Industries Limited - Standalone Results</b>		
<b>Cash Flow Statement for the year ended March 31, 2021</b>		
	(Rs. in lacs)	
	As at March 31, 2021	As at March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before Tax for the year	(1,514.27)	20.22
Adjustments for:		
Interest paid recognised in profit or loss	461.05	389.48
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	156.75	198.44
Prior Period Expenses	-	0.11
Dividend	-	-
Loss on sale of Motor Car	-	0.69
Loss on insurance claim	-	-
Impairment loss, net of reversals on financial assets	(0.55)	0.79
Deferred Revenue Included in OCI for the year	-	(4.62)
Employee's Compensation	-	-
	<b>(897.02)</b>	<b>605.11</b>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	458.20	275.61
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	122.67	(823.46)
(Increase)/decrease in other assets	384.04	(553.74)
Increase/ (Decrease) in Provisions	9.78	4.14
Increase/ (Decrease) in trade payables	(117.22)	626.51
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	66.16	314.65
<b>Cash generated from operations</b>	<b>26.61</b>	<b>448.82</b>
Income taxes paid	-	(18.83)
<b>Net cash generated by operating activities</b>	<b>26.61</b>	<b>429.99</b>
<b>Cash flows from investing activities</b>		
Payments to acquire financial assets	(58.68)	(141.43)
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	(3.87)	(21.15)
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	-	-
<b>Net cash (used in)/generated by investing activities</b>	<b>(62.55)</b>	<b>(162.59)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments of the Company	-	432.61
Proceeds from borrowings ( Incl Deferred revenue)	-	(437.20)
Proceeds from Current borrowings	459.58	170.26
Repayment of borrowings	-	-
Movement in Other long term liabilities	1.10	(13.18)
Dividends paid on equity shares and convertible non-participating preference shares	-	(11.78)
Tax paid on Dividend	-	(2.42)
Interest paid	(461.05)	(389.48)
<b>Net cash used in financing activities</b>	<b>(0.38)</b>	<b>(251.18)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(36.31)</b>	<b>16.22</b>
Cash and cash equivalents at the beginning of the year	67.03	50.81
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>30.72</b>	<b>67.03</b>



**Notes:**

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

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
3. Cash and Cash Equivalents comprises of:		
Cash on Hand	4.27	23.97
Balances with Banks		
- Current Accounts	3.06	15.61
Earmarked Balances with Banks		
- Unpaid Dividend	23.38	27.45
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>30.72</b>	<b>67.03</b>

By order of Board of Directors  
For SUDITI INDUSTRIES LIMITED

Place: Mumbai  
Date: 27th August, 2021

**PAWAN AGARWAL**  
CHAIRMAN  
DIN: 00808731

**4. Explanatory Note on Ind AS 7**

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

(Rs. in lacs)

	As at March 31, 2020	Cash Flows	Non-cash changes at		As at March 31, 2021
			Fair value changes	Current/ Non-current classification	
Borrowings - Non Current	-	544.71	-	-	544.71
Borrowings - Non Current FCD's	-	-	-	-	-
Other Non Current Financial Liabilities	53.06	1.10	-	-	54.16
Borrowings - Current	3,499.80	(85.14)	-	-	3,414.66

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

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

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344

## Thirtieth Annual Report 2020 - 2021

**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**Statement of changes in Equity for the year ended 31st March, 2021.**

**a. Equity share capital**

**(Amount in Rs.)**

Particulars	Notes	Balance as at April 1, 2019	Changes in equity share capital during the year 2019-20	Balance as at March 31, 2020	Changes in equity share capital during the year 2020-21	Balance as at March 31, 2021
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021) ; (1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2020)	17	169820230	5721000	175541230	-	175541230



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**Other Equity**

Particulars	Notes	Surplus				Amount in Rs.
		Securities Premium	Share option outstanding account	Retained Earnings	Items of Other Comprehensive income, that will not be reclassified to Statement of Profit & Loss	Total
<b>Balance at April 1, 2019</b>	18	<b>1,46,92,968</b>	<b>25,83,508</b>	<b>18,98,19,152</b>	<b>(9,44,378)</b>	<b>20,61,51,250</b>
Profit/ (loss) for the year				1,86,857		1,86,857
Other comprehensive income for the year, net of income tax					13,74,039	13,74,039
<b>Total comprehensive income for the year</b>		-	-	<b>1,86,857</b>	<b>13,74,039</b>	<b>15,60,895</b>
Recognition of share-based payments		1,40,160	(6,56,640)			(5,16,480)
Issue of Equity Shares on conversion of FCD's issued to HT Media		3,93,75,000				3,93,75,000
Ajustment Provision to Retained Earnings				(14,60,100)		(14,60,100)
Dividend Paid				(11,77,900)		(11,77,900)
Dividend distribution tax paid				(2,42,101)		(2,42,101)
<b>Balance at March 31, 2020</b>		<b>5,42,08,128</b>	<b>19,26,868</b>	<b>18,71,25,907</b>	<b>4,29,661</b>	<b>24,36,90,565</b>
Profit for the year				(15,18,05,290)		(15,18,05,290)
Other comprehensive income for the year, net of income tax					55,767	55,767
<b>Total comprehensive income for the year</b>		-	-	<b>(15,18,05,290)</b>	<b>55,767</b>	<b>(15,17,49,523)</b>
<b>Balance at March 31, 2021</b>		<b>5,42,08,128</b>	<b>19,26,868</b>	<b>3,53,20,618</b>	<b>4,85,428</b>	<b>9,19,41,041</b>

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

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

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DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 1. Corporate information

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

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

#### 2. Basis of Preparation

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

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

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

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

##### a. Current versus non-current classification

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

An asset is considered current when it is:-

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

All other assets are classified as non-current.

A liability is current when :

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

The Company classifies all other liabilities as non-current.

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

Advance tax paid is classified as noncurrent assets.

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

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

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



### 3. New accounting standards adopted by the Company

#### (i) Ind AS 116 Leases

Effective 01 April 2019, the company had adopted Ind AS 116 "Leases" and since then applied to all lease contracts existing from 01 April 2019 using the modified retrospective method. The leases which are classified as Right-of-Use (RoU) assets are in the nature of prepaid lease rentals. Therefore, the cumulative effect of applying the standard in the retained earnings is not material. The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

#### (ii) Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company as the Company has reported losses in the F.Y. 2020-21.

#### (iii) Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company as the Company has not declared any Dividend for the F.Y. 2020-21.

#### (iv) Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after their measurement using the assumptions used for their measurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

### 4. Significant Accounting Policies

#### a. Foreign Currencies

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

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

#### b. Revenue from contracts with customers

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

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

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

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

##### (1) Sale of Fabric

Revenue from sale of fabric is recognized when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could

## Thirtieth Annual Report 2020 - 2021

affect the customer's acceptance of the product. Revenue from the sale is recognized based on the price specified in the contract net of rebates and discounts.

(2) **Sale of Scrap**

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

(3) **Dividend and interest income**

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

c. **Government Grants**

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

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

d. **Taxes**

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

**Current Income Tax**

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

**Deferred Income Tax**

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

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

**Minimum Alternate Tax (MAT)**

MAT payable wherever applicable are charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note issued by ICAI on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



**e) Property, plant and equipment**

On transition to Ind-AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as a deemed cost of property, plant and equipment.

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

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

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

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

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

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

**f) Intangible Assets**

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

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

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

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

**Particular Amortisation**

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



## Thirtieth Annual Report 2020 - 2021

### g) Impairment of tangible and intangible assets other than goodwill

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

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

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

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

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

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

### h) Borrowing costs

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

### i) Leases

#### (a) Company as a lessee

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

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

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



**(b) Company as a lessor**

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

**j) Inventories**

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

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

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

Raw materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out basis.

**Finished goods and work in progress:**

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

**Stores and Spares:**

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

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

**Traded goods:**

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**k) Provisions, Contingent liability & Contingent Assets**

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

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

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

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

**l) Employee Benefits**

**i) Defined Contribution Plans.**

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

**ii) Defined Benefit Plans.**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and

## Thirtieth Annual Report 2020 - 2021

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

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

### iii) Short-term Employee Benefits.

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

### iv) Long-term Employee Benefit.

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

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

### v) Termination Benefits.

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

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

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

## m) Financial instruments

### Financial Instruments.

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

### 1 Financial Assets.

#### 1.1 Definition:

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

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

#### (i) Financial Assets at Amortised Cost:

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

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

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

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

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



### 1.2 Trade Receivables.

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

### 1.3 Investment in Equity Shares.

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

### 1.4 Derecognition of Financial Assets.

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred or ceased the control of the asset. When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## 2 Financial Liabilities.

### 2.1 Definition:

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

#### (a) Initial Recognition and Measurement.

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

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

#### (b) Subsequent Measurement.

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

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

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

##### ii) Financial Liabilities measured at Amortized Cost.

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

### 2.2 Loans and Borrowings.

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

## Thirtieth Annual Report 2020 - 2021

### 2.3 Trade and Other Payables.

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

### 2.4 De-recognition of Financial Liability.

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

### 3 Offsetting of Financial Instruments.

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

#### Fair value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

#### n) Earnings per share

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

#### o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### p) Dividend distribution to equity holders

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

#### q) Cash Flow

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

#### r) Custom duty

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



s) **Goods & Service Tax**

The Government of India introduced the Goods and Service Tax (GST) with effect from 01/07/2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS) 18 - Revenue, Revenue from operations for the year 2020-21 and its previous year figures are presented net of GST.

t) **Segment Reporting**

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

u) **Investment in subsidiaries and associates**

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

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

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

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

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

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

v) **Share-based payments**

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

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

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

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

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

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

## Thirtieth Annual Report 2020 - 2021

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

#### i) Judgements

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

##### a) Contingencies

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

##### b) Recognition of deferred tax assets

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

#### ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

##### a) Useful lives of depreciable assets

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

##### b) Defined benefit obligation

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

##### c) Inventories

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

##### d) Impairment of non-financial assets and goodwill

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

##### e) Fair value measurement of financial instruments

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



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

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

(Amount in Rs.)

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Land ( Leasehold )	15,50,322	15,73,289
Building	1,00,14,318	1,27,11,207
Plant & Machinery	1,92,31,365	1,72,59,880
Furniture and Fixtures	2,98,14,498	3,60,41,541
Office & Other Equipments	77,19,937	94,70,641
Computers	10,13,914	19,86,466
Electric Installation	57,47,872	67,86,844
Vehicles	12,92,934	16,29,684
Right to use Amortised Value of Assets	-	-
	<b>7,63,85,159</b>	<b>8,74,59,552</b>
Capital work-in-progress	1,42,26,660	1,28,49,230
	<b>9,06,11,819</b>	<b>10,03,08,782</b>
<b>Other intangible assets</b>		
	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Software	4,11,497	5,21,492
	<b>4,11,497</b>	<b>5,21,492</b>
Intangible assets under development	20,78,378	20,78,378
	<b>24,89,875</b>	<b>25,99,870</b>

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



Thirtieth Annual Report 2020 - 2021

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

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

Property, Plant & Equipment :

Particulars	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Right to use Amortised Value of Assets	Total
<b>Gross Block</b>										
<b>Cost or Deemed Cost</b>										
Balance at March 31, 2020	16,42,190	3,84,72,991	29,88,15,751	7,53,99,034	2,24,56,546	1,80,81,377	1,97,07,922	24,54,577	38,53,870	48,08,84,258
Additions	-	-	43,61,800	6,610	-	89,439	56,000	-	-	45,13,849
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>16,42,190</b>	<b>3,84,72,991</b>	<b>30,31,77,551</b>	<b>7,54,05,644</b>	<b>2,24,56,546</b>	<b>1,81,70,816</b>	<b>1,97,63,922</b>	<b>24,54,577</b>	<b>38,53,870</b>	<b>48,53,98,107</b>
<b>Accumulated depreciation and impairment</b>										
Balance at March 31, 2020	68,901	2,57,61,784	28,15,55,870	3,93,57,493	1,29,85,905	1,60,94,911	1,29,21,078	8,24,893	38,53,870	39,33,55,804
Depreciation charge for the year	22,967	26,96,889	23,90,315	62,33,653	17,50,705	10,61,991	10,94,972	3,36,750	-	1,55,65,275
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	-
<b>Balance at March 31, 2021</b>	<b>91,868</b>	<b>2,84,58,673</b>	<b>28,39,46,186</b>	<b>4,55,91,146</b>	<b>1,47,36,610</b>	<b>1,71,56,902</b>	<b>1,40,16,050</b>	<b>11,61,643</b>	<b>38,53,870</b>	<b>40,89,21,079</b>
<b>Carrying amount</b>										
Balance at March 31, 2020	15,73,289	1,27,11,207	1,72,59,880	3,60,41,541	94,70,641	19,86,466	67,86,844	16,29,684	-	8,74,59,553
Balance at March 31, 2021	15,50,322	1,00,14,318	1,92,31,365	2,98,14,498	77,19,937	10,13,914	57,47,872	12,92,934	-	7,63,85,159



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**Other Intangible Assets**

	Software	Trademark	Total
<b>Gross Block</b>			
<b>Cost or Deemed Cost</b>			
<b>Balance at March 31, 2020</b>	<b>39,87,766</b>	<b>3,00,000</b>	<b>42,87,766</b>
Additions	-	-	-
Disposals	-	-	-
<b>Balance at March 31, 2021</b>	<b>39,87,766</b>	<b>3,00,000</b>	<b>42,87,766</b>
<b>Accumulated depreciation and impairment</b>			<b>Total</b>
<b>Balance at March 31, 2020</b>	<b>34,66,274</b>	<b>3,00,000</b>	<b>37,66,274</b>
Depreciation charge for the year	1,09,995	-	1,09,995
<b>Balance at March 31, 2021</b>	<b>35,76,269</b>	<b>3,00,000</b>	<b>38,76,269</b>
<b>Carrying amount</b>			<b>Total</b>
Balance at March 31, 2020	5,21,492	-	5,21,492
Balance at March 31, 2021	4,11,497	-	4,11,497

During the previous year the company had discontinued the lease agreement with the associate company due to regulatory and compliance requirements. Accordingly the balance in the account towards the amount amortized and the corresponding liability towards obligation to pay the lease rent were appropriately revoked and settled. As these accounting treatments are compensating in nature no significant impact is there in the profit and loss account.

**6 Investments in Subsidiary**

**Break-up of investments in Subsidiary**

(Amount in Rs.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Investments in Equity Instruments</b>				
<b>Investments in subsidiary:</b>				
Investment in Suditi Design Studio Ltd	8,60,000	86,00,000	8,60,000	86,00,000
Investment in Suditi Sports Apparel Ltd.	40,000	4,00,000	40,000	4,00,000
<b>Total Aggregate Unquoted Investments (A)</b>	<b>9,00,000</b>	<b>90,00,000</b>	<b>9,00,000</b>	<b>90,00,000</b>

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Amount in Rs.	Amount in Rs.
<b>Aggregate Carrying Value of unquoted investments</b>	90,00,000	90,00,000

**7 Investments in Joint ventures**

(Amount in Rs.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Unquoted Investments (all fully paid)</b>				
<b>Investments in Equity Instruments</b>				
Investment in SAA & Suditi Retail Pvt. Ltd.	50,000	5,00,000	50,000	5,00,000
<b>Total Investments Carrying Value</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

Particulars	As at	As at
	March 31, 2021	March 31, 2020
	Amount in Rs.	Amount in Rs.
<b>Aggregate Carrying Value of unquoted investments</b>	5,00,000	5,00,000

**Details and financial information of material joint ventures**

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

Details of the Group's material joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal Activity	Place of incorporation <sup>a</sup> and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			As at March 31, 2021	As at March 31, 2020
Saa & Suditi Retail Pvt. Ltd.	Manufacturing & Retail Sales of Fashion Garments under Brand name " NUSH"	Mumbai	50%	50%

#### 8 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non- Current</b>		
<b>Unsecured, considered Good</b>		
Security Deposits	8,27,98,228	8,24,19,452
Capital Advances	27,91,810	27,91,810
<b>Total</b>	<b>8,55,90,038</b>	<b>8,52,11,262</b>
<b>Current</b>		
Loans & Advances to Employees	5,16,541	1,45,418
<b>Total</b>	<b>5,16,541</b>	<b>1,45,418</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
<b>Fixed Deposit with Banks</b>		
Bank deposits with original maturity for more than 12 months	3,44,778	3,36,555
<b>Total</b>	<b>3,44,778</b>	<b>3,36,555</b>

#### 10 Deferred Tax Assets/(Liabilities)

(Amount in Rs.)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	10,72,309	14,69,550
<b>Total</b>	<b>10,72,309</b>	<b>14,69,550</b>
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Deferred tax Assets</b>		
Related to Other Current Liabilities	2,61,313	(3,48,464)
Related to Plant, Property & Equipment	8,10,996	19,97,502
<b>Total</b>	<b>10,72,309</b>	<b>16,49,038</b>
<b>Deferred tax Liabilities</b>		
<b>Total</b>	-	-
Impact of Change in Tax Rate	-	(179,488)
<b>Net deferred tax (liability) / asset</b>	<b>10,72,309</b>	<b>14,69,550</b>



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

11 Other Assets (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(A) Other Non- Current</b>		
Unsecured, Considered Good		
<b>Total of Other Non- Current</b>	-	-
<b>(B) Other Current Assets</b>		
- Other Advances	45,77,218	3,20,31,882
Advance to Suppliers	4,55,12,334	6,14,52,608
Prepaid Expenses	6,75,227	16,34,170
<b>Others:-</b>		
- Balances with government authorities		
Central Excise and Customs	5,37,490	5,37,490
GST receivable	2,67,92,772	2,04,56,993
Sales tax Refund and Set-off	90,10,291	99,67,773
<b>Total of Other Current Assets</b>	<b>8,71,05,332</b>	<b>12,60,80,916</b>

12 Inventories (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Inventories (lower of cost and net realisable value)</b>		
- Raw materials	1,38,44,436	4,05,02,360
- Work-in-progress	46,91,431	1,13,87,098
- Finished goods	34,40,23,912	32,32,83,322
- Stock-in-trade	-	-
- Stores and spares	57,36,163	55,45,654
- Fuel & Oil	5,51,471	3,96,153
<b>Total</b>	<b>36,88,47,413</b>	<b>38,11,14,587</b>

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

Particulars	Amount (Rupees)	Security hypothecated/ pledged against
<b>31st March 2021</b>		
— Raw Materials / Work-in-progress	1,85,35,867	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited
— Finished goods / Stock-in-trade	34,40,23,912	
<b>31st March 2020</b>		
— Raw Materials / Work-in-progress	5,18,89,458	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited
— Finished goods / Stock-in-trade	32,32,83,322	

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

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 13 Other investments (Amount in Rs.)

Current	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>Quoted Investments (all fully paid)</b>				
<b>(a) Investments in Equity Instruments</b>				
IDBI Bank Limited	2,880	1,11,024	2,880	55,584
[2880 (Including Bonus Shares issues of 1080 shares)]				
<b>Total Aggregate Quoted Investments (A)</b>	<b>2,880</b>	<b>1,11,024</b>	<b>2,880</b>	<b>55,584</b>
	As at March 31, 2021		As at March 31, 2020	
<b>Aggregate Book Value of quoted investments</b>	1,11,024		55,584	

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

#### 14 Trade Receivables (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Secured</b>		
(a) Considered good		
— From Related Parties	11,98,22,936	1,94,99,388
— From Others	13,55,66,077	16,72,57,704
<b>Unsecured</b>		
(a) Considered good		
— From Related Parties	-	1,10,61,330
— From Others	15,20,35,998	21,56,53,513
(b) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	80,85,558	1,49,91,093
<b>Allowance for expected credit loss</b>		
(a) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	(5,26,79,034)	(1,94,40,400)
<b>Credit impaired</b>	-	-
<b>Total</b>	<b>36,28,31,535</b>	<b>40,90,22,628</b>

#### Movement in provisions of doubtful debts (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	1,94,40,400	11,40,387
Add : Additional Provision made	3,48,01,840	1,83,00,013
Less : Provision write off	15,63,206	-
<b>Closing Provisions</b>	<b>5,26,79,034</b>	<b>1,94,40,400</b>

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

Trade receivables are non-interest bearing and credit period generally falls in the range of 30 to 90 days terms.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

**15 Cash and Cash Equivalents (Amount in Rs.)**

Particulars	As at March 31,2021	As at March 31, 2020
Balances with Banks	3,06,141	15,61,050
Cash on hand	4,27,446	23,96,619
<b>Others :</b>		
a) Earmarked balances with banks (Dividend accounts)	23,38,184	27,45,160
<b>Total</b>	<b>30,71,771</b>	<b>67,02,829</b>

Note : The Unpaid dividend amount will be transferred to Investor Education & Protection Fund as and when due.

**16 Current tax assets (Amount in Rs.)**

Particulars	As at March 31,2021	As at March 31, 2020
<b>Current tax assets</b>		
Income Tax (Net of provisions)	76,64,190	70,92,742
<b>Total</b>	<b>76,64,190</b>	<b>70,92,742</b>

**17 Equity share capital (Amount in Rs.)**

Particulars	As at March 31,2021	As at March 31, 2020
Equity share capital	17,55,41,230	17,55,41,230
<b>Total</b>	<b>17,55,41,230</b>	<b>17,55,41,230</b>
<b>Authorised Share Capital</b>		
2,50,00,000 Fully paid equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
<b>Issued, subscribed &amp; Paid Up</b>		
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021) ; (1,75,54,123 of 10 each as at March 31, 2020)	17,55,41,230	17,55,41,230
<b>Total</b>	<b>17,55,41,230</b>	<b>17,55,41,230</b>

**Fully paid equity shares**

Particulars	Number of shares	Share capital (Amount)
<b>Balance at March 31, 2020</b>	<b>1,75,54,123</b>	<b>17,55,41,230</b>
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2021</b>	<b>1,75,54,123</b>	<b>17,55,41,230</b>

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

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Pawan Kishorilal Agarwal	1,12,79,991	64.260	1,12,79,991	64.260

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

In view of losses reported as well as uncertainty prevailing on account of COVID 19 pandemic, the Board of Directors has not recommended any dividend for the financial year 2020-21.

#### Shares reserved for issue under options

960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. The company has so far allotted 317320 shares including the 9600 shares allotted to one employee in the year May 2019. There are no options granted and pending to be exercised by the employees. The balance as on 31st March 2021 is 642680 options which is yet to be granted to the employees from reserved portion of the equity capital.

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

#### 18 Other Equity

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	3,53,20,618	18,71,25,907
Securities premium	5,42,08,128	5,42,08,128
Share option outstanding account	19,26,868	19,26,868
Other items of other comprehensive income	4,85,428	4,29,661
<b>Total</b>	<b>9,19,41,041</b>	<b>24,36,90,565</b>

The details are as follows:-

Retained Earnings	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	18,71,25,907	18,98,19,152
Add: Profit During the year	(15,18,05,290)	1,86,857
Adjustment Provision to Retained Earnings	-	(14,60,100)
Dividend Paid	-	(11,77,900)
Dividend distribution tax paid	-	(2,42,101)
<b>Balance at end of year</b>	<b>3,53,20,618</b>	<b>18,71,25,907</b>
Securities premium	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	5,42,08,128	1,46,92,968
<b>Add: Transfers during the year</b>	<b>-</b>	<b>3,95,15,160</b>
<b>Balance at end of year</b>	<b>5,42,08,128</b>	<b>5,42,08,128</b>


**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

Share option outstanding account	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	19,26,868	25,83,508
<b>Add:</b> Transfers during the year	-	(6,56,640)
<b>Balance at end of year</b>	<b>19,26,868</b>	<b>19,26,868</b>

Other items of other comprehensive income	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	4,29,661	(9,44,378)
<b>Add:</b> Additions during the year	55,767	13,74,039
<b>Balance at end of year</b>	<b>4,85,428</b>	<b>4,29,661</b>

**Description of nature & purpose of each reserve:**

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

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

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

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
(i). Term loans		
- From banks	6,85,53,428	-
Less: Current maturities of Long-term debt	1,40,82,167	-
<b>Total non-current borrowings</b>	<b>5,44,71,261</b>	<b>-</b>

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

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	54,16,323	53,05,901
<b>Total</b>	<b>54,16,323</b>	<b>53,05,901</b>

**21 Current borrowings (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
a). Loans repayable		
- from Commercial Banks	34,14,05,752	34,97,64,596
- from others	60,492	2,15,376
<b>Total</b>	<b>34,14,66,244</b>	<b>34,99,79,972</b>



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

- 1) Secured Loans are the Credit Facilities availed by the Company from its existing Borrower Banks M/s. Axis Bank Limited and The South Indian Bank Limited under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of India (RBI) to support the Companies during the pandemic period. The Company has received Rs.4,85,00,000/- from Axis Bank Limited and Rs.1,96,93,000/- from The South Indian Bank Limited being 20% on the outstanding exposure of the Company with these Banks as on 29/02/2020. These Facilities are extended without any Guarantee by the Bank. However, these loans are secured against the hypothecation of its Inventory & Book Debts. The Rate of Interest charged by Axis Bank Limited is 8.75% and The South Indian Bank Limited is 8.70%. The Loan shall be repayable in 4 years with a moratorium period of 1 year.
- 2) Loans of Commercial Banks includes the borrowings from Axis Bank Limited and The South Indian Bank Limited . Rate of interest charged for the working capital borrowing in respect of Axis Bank Limited is Repo Rate + 4.85% & The South Indian Bank Limited is Repo Rate + 6.70%. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai and also personal guarantee executed by Chairman Shri Pawan Agarwal in favour of both the Banks.

#### 22 Trade payables

(Amount in Rs.)

Particulars	As at March 31,2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises	1,56,10,781	2,05,23,425
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	23,55,05,842	24,23,15,046
<b>Total</b>	<b>25,11,16,623</b>	<b>26,28,38,471</b>

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

i) Principal amount remaining unpaid to any supplier as at the end of the year.	1,56,10,781	2,05,23,425
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year ) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	419525	1088586
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

#### 23 Other financial liabilities

(Amount in Rs.)

Particulars	As at March 31,2021	As at March 31, 2020
<b>Current</b>		
a Employee Benefits Payable	75,21,872	76,22,313
b Outstanding Expenses	53,77,326	1,36,40,716
c Vendor Payment Facility	89,56,821	1,03,37,761
d Unpaid Dividend	23,37,951	27,44,908
<b>Total</b>	<b>2,41,93,970</b>	<b>3,43,45,698</b>

Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end. However an amount of Rs.404207/- has been reported to MCA (ROC) under the rules of the Investor Education and Protection Fund which will be transferred in the year 2021-22.



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**24 Provisions (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Defined benefit liability (net)	28,99,553	22,15,469
Other long term employee obligations	19,09,838	10,08,838
<b>Total</b>	<b>48,09,391</b>	<b>32,24,307</b>
<b>Current</b>		
Defined benefit liability (net)	-	-
Other long term employee obligations	-	6,45,960
Audit Fees Payable	6,15,125	5,76,000
<b>Total</b>	<b>6,15,125</b>	<b>12,21,960</b>

**25 Other current liabilities (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
TDS Payable	6,87,551	10,71,781
Professional Tax payable	32,900	54,825
Income tax payable	-	18,82,990
Advances from Customers	5,50,54,687	4,99,50,959
Provident fund	2,89,413	4,48,644
ESIC	38,699	83,420
Current maturities of Long-term debt	1,40,82,167	-
<b>Total</b>	<b>7,01,85,417</b>	<b>5,34,92,619</b>

Note: Current maturities of Long-term debt is the installment due for payment pertaining to Emergency Credit Line Guarantee Scheme (ECLGS) in the year 2021-22.

**26 Revenue from operations (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A Revenue from contracts with customers disaggregated based on nature of product or services</b>		
(a) Revenue from Sale of Products:		
- Manufactured goods	50,43,63,888	95,63,81,961
- Stock-in-trade	-	-
<b>Sub-Total (a)</b>	<b>50,43,63,888</b>	<b>95,63,81,961</b>
(b) Other operating revenues:		
- Export incentives		
- Royalty received From subsidiaries and associates		
- Royalty received From others		
- Scrap Sales	12,61,368	10,01,329
- Others (specify details)	-	-
<b>Sub-Total (b)</b>	<b>12,61,368</b>	<b>10,01,329</b>
<b>Total Revenue from Operations (a+b)</b>	<b>50,56,25,256</b>	<b>95,73,83,290</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

<b>B. Revenue from contracts with customers disaggregated based on geography</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
The table below presents disaggregated revenue from contracts with customers for the year ended March 2020 and March 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
(a) Domestic	50,56,25,256	95,73,83,290
(b) Exports	-	-
<b>Total Revenue from Operations (a+b)</b>	<b>50,56,25,256</b>	<b>95,73,83,290</b>
<b>C. Reconciliation of Gross Revenue from Contracts With Customers</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Gross Revenue	66,77,39,294	1,09,08,72,731
Less : Discount	7,13,11,967	12,52,06,174
Less : Returns	9,05,66,695	82,33,522
Less : price concession	2,35,376	49,745
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>50,56,25,256</b>	<b>95,73,83,290</b>

#### Notes:

- C1. The amounts receivable from customers become due after expiry of credit period which on an average is less than **180 days**. There is no significant financing component in any transaction with the customers.
- C2. The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.
- C3. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

#### 27 Other Income

(Amount in Rs.)

<b>Particulars</b>	<b>As at March 31,2021</b>	<b>As at March 31, 2020</b>
<b>(a). Interest Income from:</b>		
- Bank deposits	8,223	20,961
	<b>8,223</b>	<b>20,961</b>
<b>(b). Other non-operating income</b>		
- Miscellaneous Income (Fees, Charges & Write Backs)	8,56,777	54,61,786
	<b>8,56,777</b>	<b>54,61,786</b>
<b>(a + b )</b>	<b>8,65,000</b>	<b>54,82,747</b>



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

(Amount in Rs.)

28 Cost of Materials consumed	As at March 31, 2021	As at March 31, 2020
Opening stock	4,05,02,360	1,81,30,312
Add: Purchases	33,52,69,291	64,09,51,023
Less: Closing stock	1,38,44,436	4,05,02,360
	<b>36,19,27,215</b>	<b>61,85,78,975</b>
<b>Raw Material and packaging material consumed:</b>		
Chemicals	1,88,67,446	4,07,02,344
Dyes	1,08,62,683	2,44,21,062
Yarn & Fabric	30,81,21,575	45,91,71,244
Other Raw Materials	2,40,75,511	9,42,84,325
	<b>36,19,27,215</b>	<b>61,85,78,975</b>

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

Inventories at the end of the year:

(Amount in Rs.)

Finished goods	34,40,23,912	32,32,83,322
Work-in-progress	46,91,431	1,13,87,098
Stock-in-trade	-	-
	<b>34,87,15,343</b>	<b>33,46,70,420</b>

Inventories at the beginning of the year:

Finished goods	32,32,83,322	25,83,68,476
Work-in-progress	1,13,87,098	1,76,82,363
Stock-in-trade	-	-
	<b>33,46,70,420</b>	<b>27,60,50,839</b>
	<b>(1,40,44,923)</b>	<b>(5,86,19,581)</b>

30 Employee benefits expenses

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, Wages and Bonus	3,43,20,229	6,31,89,743
Contribution to provident funds and other funds	24,58,429	36,64,060
Staff Welfare Expenses	19,47,712	44,04,952
Employee Share based payment expenses	-	-
<b>Total Employee Benefit expenses</b>	<b>3,87,26,370</b>	<b>7,12,58,755</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 31 Finance Costs

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Interest costs :-</b>		
Interest on borrowings	4,14,17,222	3,51,94,858
Interest on Trade payables	1,63,545	12,97,163
Interest on Income Tax	-	4,96,408
Interest on MSME	4,19,525	10,88,586
Interest on Vehicle Loan	17,779	58,722
Other interest expense	40,86,840	8,12,305
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>4,61,04,911</b>	<b>3,89,48,042</b>

#### 32 Depreciation and amortisation expense

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment	1,55,65,275	1,66,23,807
Amortisation of intangible assets	1,09,995	1,89,057
Depreciation on amortised assets	-	38,53,870
<b>Total depreciation and amortisation expenses</b>	<b>1,56,75,270</b>	<b>2,06,66,734</b>



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**33 Other expenses (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
Consumption of Stores, Spares & Consumables	2,09,43,655	2,24,72,844
Consumption of Packing Materials	38,27,452	61,60,837
Sub Contracting	7,23,20,110	12,00,43,933
Power & Fuel	3,62,74,379	5,86,83,465
Water 53,34,687	89,68,227	
Rent Including Lease Rentals	30,33,663	38,23,214
Repairs & Maintenance:		
- Building	2,58,412	1,98,718
- Machinery	14,23,038	35,74,343
- Others	36,96,852	46,10,987
Insurance	15,52,828	13,70,757
Garment Expenses	14,490	68,539
Rates & Taxes	6,27,271	5,55,846
Telephone & Communication Charges	10,96,295	14,78,062
Travelling & Conveyance	10,34,138	30,30,209
Printing & Stationery	6,92,126	14,21,632
Sales Commission	10,73,990	4,90,492
Pilferage & Shortage	-	-
Royalty	1,01,577	36,35,345
Donation & Contributions	9,75,000	-
Legal & Professional fees	38,20,800	59,82,008
Statutory Auditors Remuneration*	8,40,000	8,15,000
Transportation Charges	52,38,186	72,15,182
Bank Charges, Commission & Others	12,10,755	8,77,639
Advertisement Expenses	9,63,005	12,30,023
Motor Car Expenses	6,89,455	14,14,876
Security Charges	29,75,865	33,92,747
Registrar & Transfer Expenses	62,959	2,71,319
Subscription & Membership	4,69,252	49,364
Establishment Management Fees (Garment)	-	-
Prior Period Expenses	-	10,670
Sundry Balance w/off	10,150	6,758
Amortisation of Land	22,967	22,967
Discounting Charges on Amortised Assets	-	15,69,561
Provision for Bad & Doubtful Debts	3,48,01,840	30,35,947
Miscellaneous Expenses	22,50,660	34,21,644
Loss on sale of Motor Car	-	68,747
GST Expenses	-	38,795
Business Promotion Expense	18,92,362	-
<b>Total</b>	<b>20,95,28,219</b>	<b>27,00,10,697</b>

**\* Statutory Auditors Remuneration**

Particulars	As at March 31, 2021	As at March 31, 2020
a) For audit	7,15,000	6,90,000
b) For taxation matters	1,25,000	1,25,000
<b>Total</b>	<b>8,40,000</b>	<b>8,15,000</b>

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

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 34 Financial Risk Management Objectives & Policy

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

##### 1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly of risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The Company has a moderate risk management system monitored by Risk Management Committee to inform Board Members about risk management and minimization procedures.

##### a) Foreign currency risk management

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

##### b) Interest rate risk

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

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

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Loans in Rupees:</b>		
a) Fixed Rate borrowings	54,471,261	-
b) Floating Rate borrowings	341,466,244	34,99,79,972
<b>Sub-Total</b>	<b>395,937,505</b>	<b>34,99,79,972</b>
Add: Upfront Fees	-	-
<b>Total Borrowings</b>	<b>395,937,505</b>	<b>34,99,79,972</b>

##### Interest Rate Sensitivity :

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

Particulars	As at March 31, 2021	As at March 31, 2020
Change in basis Points	25	25
Effect on profit / (loss) before tax	(8,53,666)	(8,74,950)
Change in Basis Points	(25)	(25)
Effect on profit / (loss) before tax	8,53,666	8,74,950



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**c) Commodity price risk:**

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

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

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices of its products and the prices of input raw materials move in the same direction.

**2) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the trade receivables and financial instruments and deposits with banks.

**Trade receivables:**

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Credit risk on receivables from organized and bigger buyers is mitigated by securing the same against letters of credit and guarantees of reputed nationalized and private sector banks/ part advance payments/post dated cheques.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

**Ageing of Trade Receivables:**

Particulars	As at March 31,2021	As at March 31, 2020
<b>Upto 6 Months</b>	165478398	226761024
<b>Above 6 months</b>	197353137	182261604
<b>Grand Total</b>	36,28,31,535	40,90,22,628

**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.



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 3) Liquidity risk management

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

#### Liquidity exposure as at 31 March 2021

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets:</b>					
Non-current investments	95,00,000	-	95,00,000	-	95,00,000
Current investments	1,11,024	1,11,024	-	-	1,11,024
Loans	5,16,541	5,16,541	-	-	5,16,541
Trade receivables	36,28,31,535	36,28,31,535	-	-	36,28,31,535
Cash and cash equivalents	30,71,771	30,71,771	-	-	30,71,771
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3,44,778	3,44,778	-	-	3,44,778
Inventory	36,88,47,413	36,86,15,528	2,31,885	-	36,88,47,413
<b>Total financial assets</b>	<b>74,52,23,062</b>	<b>73,54,91,177</b>	<b>97,31,885</b>	<b>-</b>	<b>74,52,23,062</b>
<b>Financial liabilities:</b>					
Long term borrowings	5,44,71,261	5,44,71,261	-	-	5,44,71,261
Short term borrowings	34,14,66,244	34,14,66,244	-	-	34,14,66,244
Trade payables	25,11,16,623	25,11,16,623	-	-	25,11,16,623
Other financial liabilities	2,41,93,970	2,41,93,970	-	-	2,41,93,970
<b>Total financial liabilities</b>	<b>67,12,48,098</b>	<b>67,12,48,098</b>	<b>-</b>	<b>-</b>	<b>67,12,48,098</b>



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

Liquidity exposure as at 31 March 2020

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets:</b>					
Non-current investments	95,00,000	-	95,00,000	-	95,00,000
Current investments	55,584	55,584	-	-	55,584
Loans	1,45,418	1,45,418	-	-	1,45,418
Trade receivables	40,90,22,628	40,90,22,628	-	-	40,90,22,628
Cash and cash equivalents	67,02,829	67,02,829	-	-	67,02,829
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3,36,555	3,36,555	-	-	3,36,555
Inventory	38,11,14,587	38,08,82,702	2,31,885	-	38,11,14,587
<b>Total financial assets</b>	<b>80,68,77,601</b>	<b>79,71,45,716</b>	<b>97,31,885</b>	<b>-</b>	<b>80,68,77,601</b>
<b>Financial liabilities:</b>					
Long term borrowings	-	-	-	-	-
Short term borrowings	34,99,79,972	34,99,79,972	-	-	34,99,79,972
Trade payables	26,28,38,471	26,28,38,471	-	-	26,28,38,471
Other financial liabilities	3,43,45,698	3,43,45,698	-	-	3,43,45,698
<b>Total financial liabilities</b>	<b>64,71,64,141</b>	<b>64,71,64,141</b>	<b>-</b>	<b>-</b>	<b>64,71,64,141</b>

35 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital as well as to maintain proper leverage.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash & cash Equivalents.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Long term borrowings	5,44,71,261	-
Current maturities of long term debt and finance lease obligations		
Short term borrowings	341466244	349979972
Less: Cash & Cash Equivalents	3071771	6702829
Less: Bank balances other than cash and cash equivalents	-	-
Less: Current investments	111024	55584
<b>Net debt (A)</b>	<b>39,91,20,300</b>	<b>35,67,38,385</b>
Equity Share Capital	17,55,41,230	17,55,41,230
Other Equity	9,19,41,041	24,36,90,565
<b>Total Capital (B)</b>	<b>26,74,82,271</b>	<b>41,92,31,795</b>
<b>Capital &amp; Net debt (C = A+B)</b>	<b>66,66,02,571</b>	<b>77,59,70,180</b>
<b>Gearing Ratio (A / C)</b>	<b>59.87%</b>	<b>45.97%</b>

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.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 36 Fair Value of Financial Assets & Liabilities

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
<b>A Financial Assets</b>				
<b>(i) At fair value through Profit &amp; Loss</b>				
Investments				
a) IDBI Shares	1,11,024	1,11,024	55,584	55,584
b) Trade Receivables	36,28,31,535	36,28,31,535	40,90,22,628	40,90,22,628
<b>Total</b>	<b>36,29,42,559</b>	<b>36,29,42,559</b>	<b>40,90,78,212</b>	<b>40,90,78,212</b>

#### Fair Valuation Techniques

1. Fair Value of Investments in quoted shares are based on the quoted market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected credit losses of these receivables.

#### 37 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserves in equity is shown below

	Retained Earnings	
	As at March 31, 2021	As at March 31, 2020
Remeasurement gains/(Losses) on defined benefit plans	74,525	18,36,214
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	(18,758)	(4,62,175)
Impact on account of Transfer from Deferred Revenue relating to Fully convertible debentures	-	-
	<b>55,767</b>	<b>13,74,039</b>

#### 38 Share-based payments

##### Description of share based payments arrangements

The Company instituted the Employee Stock Option Plan – ESOP 2011 to grant equity based incentives to its eligible employees in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP-2011 ("The Scheme") had been approved by the Board of Directors of the Company at their meeting held on 30th Sept, 2011 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on 2nd Sept 2011, to grant 9,60,000 options, representing one share at par for each option upon exercise by the employee of the Company determined by the Board/Compensation Committee. The Scheme covers grant of options to the specified permanent eligible employees of the Company and during the year ended 31 January, 2013, the Company granted initial stock options to certain employees of the Company.

##### A. Suditi Employee Stock Option Plan 2011 (SUDITI ESOP 2011)

Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company in the year January 2013. Further the Company has also granted another 124605 options to the eligible Employees in 15th February 2017. The Company has the following share-based payment arrangements for employees.

##### Movements during the year

There are no options pending for vesting or options pending for exercise. Accordingly, there are no shares issued on account of exercise of any options granted.

The following table illustrates the number and fair price of, and changes in, share options during the year. Excise price is fixed at face value of '10/- each.



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

Particulars	31-Mar-21				31-Mar-20			
	Grant of Options		Grant of Options		Grant of Options		Grant of Options	
	I		II		I		II	
	Number	Fair price	Number	Fair price	Number	Fair price	Number	Fair price
Outstanding at the beginning of the year	-	-	-	-	9600	-	-	-
Options exercised during the year	-	-	-	-	9600	-	-	-
Expired/lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-	-

**No further vesting or granting has taken place during the year.**

The fair values of options granted under the plan were determined using Black-Scholes pricing module that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

Particulars	31-Mar-21		31-Mar-20	
	Options vested	Options vested and unexercised	Options vested and exercised	Options to be vested
Number of options	-	-	9,600	0
Fair value on grant date (₹)	-	-	Nil	First grant ₹7.68 Second grant ₹60.46
Share price at grant date (₹)	-	-	Nil	First grant ₹7.68 Second grant ₹68.40
Fair value at exercise date (₹)	-	-	Nil	Nil
Exercise price (₹)	-	-	10	-
Expected volatility	NA	NA	NA	NA
Expected life	NA	NA	NA	NA
Expected dividends	NA	NA	NA	NA
Risk-free interest rate (based on government bonds)	NA	NA	NA	NA

Note: In the case of First grant since the market price was lower than the Exercise price (face value), fair value calculations on grant date are not separately computed.

**Particulars of Scheme**

**Name of scheme** Suditi Employee Stock Option Plan 2011

**Vesting conditions** First grant of 350800 options made on 31/01/2013 and the second grant of 124605 options made on 15/02/2017. The schedule of the vesting is as follows:

**Graded vesting schedule**

	Percentage of options granted	
	Grant of Options	
	I	II
1st Anniversary of the Grant Date	10%	100%
2nd Anniversary of the Grant Date	15%	N.A.
3rd Anniversary of the Grant Date	20%	N.A.
4th Anniversary of the Grant Date	25%	N.A.
5th Anniversary of the Grant Date	30%	N.A.

Exercise period Stock options can be exercised within a period of 5 years from the date of vesting.

Number of share options -

Exercise price 10

Method of settlement Equity

Fair value on the grant date  
First grant 7.68  
Second grant 60.46

Remaining life as on 31 March 2021 NA

Remaining life as on 31 March 2020 NA

**Details of share options exercised during the year: NIL**

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

	Unit	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
<b>39 Cost of Material Consumed</b>					
Chemicals			1,88,67,446		4,07,02,344
Dyes			1,08,62,683		2,44,21,062
Yarn & Fabric	Kgs	6,31,415	30,56,57,689	8,85,885	43,81,53,345
	Pcs	80159	24,63,886	7638	80,51,227
Garment	Pcs	-	-	20,290	1,29,66,672
Other Raw Materials			2,40,75,511		9,42,84,325
Stores & Spares			2,09,43,655		2,24,72,844
Packing Materials			38,27,452		61,60,837
			<b>38,66,98,322</b>		<b>64,72,12,656</b>
			<b>For the year ended 31st March, 2021</b>		<b>For the year ended 31st March, 2020</b>
		%	Amount in Rs.	%	Amount in Rs.
Imported		0.23	8,94,177	0.16	10,64,006
Indigenous		99.77	38,58,04,145	99.84	64,61,48,650
		<b>100.00</b>	<b>38,66,98,322</b>	<b>100.00</b>	<b>64,72,12,656</b>

#### Notes:

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

	Unit	As at 01st April, 2020		As at 01st April, 2019	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
<b>40 Opening Stock</b>					
1. Yarn	Kgs	1,32,533	3,07,41,331	43,633	1,01,56,139
2. Grey fabric	Kgs	13,957	29,06,337	14,656	35,52,117
3. Chemicals			25,06,434		16,15,699
4. Stores, Spares & Other items			66,49,744		47,50,825
5. Packing Materials			7,95,465		8,37,056
6. Dyes			28,44,857		18,05,485
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	21,730	81,21,329	37,321	1,34,30,086
	Pcs	52,443	32,65,769	4,75,339	42,52,277
9. Finished Goods					
Finished Fabric	Kgs	1,00,018	3,18,02,732	1,31,653	5,81,32,959
Finished Garments	Pcs	5,18,063	29,14,80,590	3,70,371	20,02,35,518
			<b>38,11,14,588</b>		<b>29,87,68,161</b>



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

- (a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Amount in Foreign Currency	Amount in Rupees	Foreign Currency	Amount in Amount in Rupees
Receivables				
US Dollar	-	-	-	-
Payables #	-	-	-	-

# There is no amount payable in foreign currency outstanding as on 31st March, 2021.

#### 48 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.

The company has classified various employee benefits as under:

##### (A) Defined Contribution Plans

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

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amount in Rs.	Amount in Rs.
(i) Contribution to Provident Fund	10,98,221	22,46,629
(ii) Contribution to Employees' State Insurance Scheme	2,10,478	5,99,729

##### (B) Defined Benefit Plan

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	6.44%	6.44%	6.65%	6.65%
(b) Salary Increase Rate	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	16,54,798	77,75,115	20,99,717	84,71,024
(b) Interest Cost	88,566	4,91,640	1,31,844	6,00,454
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	3,56,334	11,18,317	4,60,813	12,16,221
(e) Benefits Paid	(1,87,746)	(19,04,740)	(1,67,403)	(11,74,965)
(f) Actuarial (Gain)/Loss	(2,114)	(1,15,267)	(8,70,173)	(13,37,619)
(g) Closing Present Value of Obligation	19,09,838	73,65,065	16,54,798	77,75,115
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	55,59,646	-	53,58,986
(b) Expected Return on Plan Assets	-	3,69,716	-	3,99,244
(c) Actuarial Gain/(Loss)	-	(40,742)	-	(17,885)
(d) Employers' Contributions	-	4,81,632	-	9,94,266
(e) Benefits Paid	-	(19,04,740)	-	(11,74,965)
(f) Closing Fair Value of Plan Assets	-	44,65,512	-	55,59,646
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	19,09,838	73,65,065	16,54,798	77,75,115
(b) Fair Value of Plan Assets as at the year end	-	44,65,512	-	55,59,646
(c) (Asset)/Liability recognised in the Balance Sheet	19,09,838	28,99,553	16,54,798	22,15,469
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	3,56,334	11,18,317	4,60,813	12,16,221
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	88,566	4,91,640	1,31,844	6,00,454
(d) Expected Return on Plan Assets	-	(3,69,716)	-	(3,99,244)
(e) Net Actuarial (Gain)/Loss	(2,114)	-	(8,70,173)	-
Total Expenses recognised in the Statement of Profit and Loss	<b>4,42,786</b>	<b>12,40,241</b>	<b>(2,77,516)</b>	<b>14,17,431</b>

**NOTE:**

- i. Leave Encashment liability is determined by an independent actuary and relevant provisions are made in the books of account. The payment towards the liability is made by the company as and when the employee becomes eligible to claim the encashment.



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

- ii. The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is paid by the company to the "Suditi Employees Group Gratuity Trust". The said Trust administers the scheme.

#### 49 Related Party Disclosures

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are as follows:

##### Name of Related Parties & their Relationship

##### 1 Key Management Personnel

- a. Mr. Pawan Agarwal - Chairman
- a1. Relatives of Key Management Personnel:
1. Mr. Rajendra Agarwal (Brother)
  2. Mrs. Pramila Agarwal (Sister-in-law of Pawan Agarwal)
  3. Mrs. Shalini Agarwal (Wife of Pawan Agarwal)
  4. Mrs. Archana Agarwal (Wife of Rajendra Agarwal)
  5. Mr. Harsh Agarwal (Son of Pawan Agarwal)
  6. Mr. Tanay Agarwal (Son of Pawan Agarwal)
  7. Mr. Tanuj Agarwal (Son of Pawan Agarwal)
- a2. Enterprises under Common control of the Promoters
1. 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 Sports Apparels Ltd.
  7. SAA & Suditi Retail Pvt. Ltd.
- b. Mr. Rajagopal Raja Chinraj - Wholetime Director
- b1. Relatives of Key Management Personnel:
1. Mrs. Anita Chinraj (Wife of Rajagopal Raja Chinraj)
- b2. Enterprises under Common control of the Wholetime Director
1. Chendur Dress Manufacturers Pvt. Ltd.
  2. Chendur Enterprises
  3. Chendur Inc.
  4. Ve Laxmi Exim LLP

##### 2 Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

##### 3 Disclosure of transactions between the company and related parties

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Key Management Personnel - Remuneration		
1 Shri Rajagopal Raja Chinraj	1610000	1977213
2 Shri H. Gopalkrishnan	917743	1417868
	<b>25,27,743</b>	<b>33,95,081</b>



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**b) Transactions with related parties:**

	Subsidiaries		Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2021	For year ended March 2020	For year ended March 2021	For year ended March 2020	For year ended March 2021	For year ended March 2020	For year ended March 2021	For year ended March 2020
<b>a) Sale of Goods/Related Services</b>								
1 Intime Knits Pvt. Ltd.							15215891	25650063
2 BLR Knits Pvt. Ltd.							-	-
3 Suditi Design Studio Ltd.*		-						
4 Suditi Sports Apparel Limited	9176464	-						
5 SAA & Suditi Retail Pvt. Ltd.			1736763	13736221				
6 Black Gold Leasing Pvt. Ltd.							4775773	-
7 Chendur Dress Manufacturers Pvt. Ltd.							6344765	13459624
<b>b) Purchase of Goods</b>								
1 Intime Knits Pvt. Ltd.							260097	-
2 Suditi Design Studio Ltd.	3302725	42302326						
3 Suditi Sports Apparel Limited	738528	-						
4 R. Piyarellal Pvt. Ltd.							-	-
5 Chendur Dress Manufacturers Pvt. Ltd.							-	1838976
6 SAA & Suditi Retail Pvt. Ltd.			3168815	135946				
7 Black Gold Leasing Pvt. Ltd.							2928295	-
<b>c) Payment for Services Received</b>								
1 Black Gold Leasing Pvt. Ltd.							15700401	13667523
2 R. Piyarellal Pvt. Ltd.							1003691	2181621
3 BLR Knits Pvt. Ltd.							205941	-
4 Chendur Dress Manufacturers Pvt. Ltd.							1452543	3569520
5 Chendur Enterprises							453252	602617
6 Chendur Inc.							498879	595494
7 Ve Laxmi Exim LLP							663000	777600
8 SAA & Suditi Retail Pvt. Ltd.				-	149337			
9 Suditi Design Studio Ltd.		-		-				
10 Mr. Harsh Pawan Agarwal						1500000	1815109	
<b>d) Balance Outstanding as at the year end</b>								
1 BLR Knits Pvt. Ltd. (Receivable)							-	-
2 Intime Knits Pvt. Ltd. (Net Receivable)							-	-
3 Intime Knits Pvt. Ltd. (Net Payable)							40080408	32009457
4 Black Gold Leasing Pvt. Ltd. (Deposits Receivable)							30381466	30381466
5 Black Gold Leasing Pvt. Ltd. (Payable)							30833403	-
6 Black Gold Leasing Pvt. Ltd. (Receivable)							4775773	13175066
7 R. Piyarellal Pvt. Ltd. (Payable)							4603733	3600411
8 Suditi Design Studio Ltd. (Receivable)	52886243	22729854						
9 Suditi Sports Apparel Ltd. (Receivable)	12489747	-						
10 SAA & Suditi Retail Pvt. Ltd. (Receivable)			58575131	32486106				
11 Chendur Dress Manufacturers Pvt. Ltd. (Receivable)							5318903	6131538
12 Chendur Dress Manufacturers Pvt. Ltd. (Payable)							814342	2381818
13 Chendur Enterprises (Payable)							151424	149884
14 Chendur Inc. (Payable)							199833	148028
15 Ve Laxmi Exim LLP (Payable)							265200	194400

\* The figures are re-grouped / re-arranged and re-classified wherever necessary.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

#### 50 Leases

- (I) Disclosures for Finance Leases  
The company has not entered into any finance lease arrangement during the year.
- (II) Disclosures for Operating Leases  
Disclosures in respect of Premises taken on lease.

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amount in Rs.	Amount in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	30,33,663	38,23,214
(b) Significant leasing arrangements The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
i) Terms of Leases (Renewal of lease terms after first 3 years)	3 - 9 year	3 - 9 year
ii) Incremental / Escalation rate after every 3 years term	12% - 15%	12% - 15%
ii) Terms of cancellation (By issuing notice varying from 1-3 months subject to locking period or on expiry of the term of agreement)		
(c) Future minimum lease payments under non cancellable agreements		
(i) Not later than one year	-	-
(ii) Later than one year and not later than five years	-	-
(iii) Later than five years	-	-

During the year 2019-20, the company had terminated the agreement with the associate company in respect of availing the space provided by the associate company in their premises because of compliance and other regulatory requirements. Accordingly the company had reversed the lease charges amortized in the books and the corresponding liability on account of obligation to make the payments over a lease period in the previous year.

#### 51 Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
Profit for the year (Amt. in Rs.)	(15,17,49,523)		15,60,895	
Weighted average number of Shares for Basic Earnings per Share	1,75,54,123		1,75,54,123	
Add: Effect of Dilutive Potential Shares (Share Warrants)	-		-	
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-		-	
Add: Effect of Dilutive Fully Convertible Debentures	-		-	
Weighted average number of Shares for Diluted Earnings per Share	1,75,54,123		1,75,54,123	
Earnings per Share (Rs. per Equity Share of Rs. 10 each)				
Basic	(8.64)		0.09	
Diluted	(8.64)		0.09	
	As at 31st March, 2021		As at 31st March, 2020	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
52 Contingent Liabilities				
(a) Claims against the company not acknowledged as debts				
(i) Sales tax/ CST / VAT matters	4,59,75,503		4,59,75,503	
(ii) Excise matters	32,08,919		30,83,919	
(iii) Income tax matters	-		-	
	4,91,84,422		4,90,59,422	

#### Note:

- (i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.
- (ii) The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.

#### Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**53 Segment Reporting**

The business activities of the Company predominantly fall within a single reportable business segment i.e. manufacture and sale of hosiery fabrics and garments in India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 on Operating Segments. The aforesaid is in line with review of operating results by the chief operating decision maker.

**54 COVID-19**

The disruptions on the global economic and business environment caused due to the COVID 19 pandemic continued to impact the business prospects adversely during the year under review also. Because of the surge in the pandemic due to second wave there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2021 in the best possible manner.

The resultant impact of any event and development occurring after the balance sheet date on the date of the financial results for the quarter and year ended 31st March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

However, the impact assessment due to COVID-19 is 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.

The operations of the Company are running at suboptimal levels. The operations are expected to remain impacted until—(a) customer sentiments return to normal levels; (b) the supply chain stabilizes and (c) the consistent availability of manpower.

**55** The Company can exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as promulgated by the Taxation Laws (Amendment) Ordinance, 2019. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus sc of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2020-21 (AY 2021-22) onwards if such domestic companies adhere to certain condition and do not avail any exemptions/incentives under different provisions of income tax like Claiming a set-off of any loss carried forward or depreciation from earlier years, if such losses were incurred in respect of the aforementioned deductions. Since the Company has incurred losses the need for making any provision for Income Tax does not arise for F.Y. 2020-21.

**56** The company has computed the amount towards the discharge of the obligation under Corporate Social Responsibility as provided under section 135 of the Companies act 2013 and its amendments and notifications applicable up to the date of the balance sheet. Based on the provisions of the Act the company has to spend 2% of its profit amount calculated based on the average three years profits and accordingly has computed an amount of Rs.9.51 Lakhs as the amount to be spent towards the Corporate Social Responsibility in the specified activities or areas permitted under the Provisions pertaining to the year 2018-19. Further the Company has calculated an amount of Rs.7.19 lakhs pertaining to year 2019-20 being 2% of average net profits of the previous three years. As per the amendments to Section 135 of the Companies Act - Companies (CSR Policy) Amended Rules, 2021 introduced from 22nd January, 2021, the company needs to spend the amount earmarked for the year in the same year itself before 31st March 2021. Accordingly the Company needs to spend the amount pertaining to the year 2019-20 before 31st March 2021. However the Company is allowed to carry forward the amount of Rs.9.51 lakhs pertaining to the earlier year 2018-19 and spend the same later. Accordingly the Company spent an amount of Rs.9.75 lakhs by the way of Donation to a Trust "OMKAR ANDH APANG SAMAJIK SANSTHA" identified by the Company to undertake specified activities as specified in the Schedule VII of the Act. The excess amount of Rs.2.56 lakhs spent over and above the specified amount of Rs.7.19 lakhs is carried forward which will be adjusted in the successive year as and when the Company spends the amount of Rs.9.51 pertaining to the year 2018-19.

Further as per the requirements of the provisions of the Companies Act, 2013, the Company is to set up a three member committee consisting of Board members and accordingly the company has constituted a separate committee consisting of three board members and out of which one member is an independent director. As stated above the company has neither spent the amount of Rs.9.51 lakhs pertaining to the year 2018-19 nor deposited the same in a separate Bank Account.

**57** During the previous year the Excise Assistant Commissioner (Refund) Central Excise - Belapur division has filed an appeal against the company claiming back the refund of the CENVAT dues amounting to Rs.3083919/- paid by the Excise department based on the order issued by the Excise Appellate Tribunal. The order issued by the Commissioner Appeals favoring the department is challenged by the company in the Excise Tribunal since CENVAT balance cannot be utilized by the company in the form of credit. Therefore the company in view of the favorable judgments by the respective appellate tribunals as well as rejection of the appeal of the department by the Honorable Apex Court which is Contingent upon the Tribunals rejecting the claim of the Excise Assistant Commissioner (Refund) Central Excise- Belapur division and based on the facts, Management is expecting a favourable outcome from the Tribunal.

**58** Physical verification of inventory was conducted by the Internal Auditor (an external Chartered Accountant firm appointed by the company) periodically. However during the year due to pandemic conditions, inventory verification was carried out in phases over a period of time. Each item was physically examined in the presence of the company's team and any difference or variations are settled on the spot. Only unresolved items are listed out and discussed separately with the Chief Executive Officer of the company. The report is made accordingly and presented before the Audit committee and also reported to the board if found to be in reason.

## Thirtieth Annual Report 2020 - 2021

### **Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

**59** Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the amount so provided is found to be adequate and in line with the requirement of the company.

#### **60 Events after the reporting date**

No adjusting or significant non-adjusting events have occurred between the reporting date (31st March, 2021) and the report release date (27th August, 2021).



**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021**

61 FORM NO. AOC -1

Details of Subsidiaries:

**FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part A - Subsidiaries**

Sr. No.	Name of Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if difference from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Revenue from Operations	Profit Before Tax	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share Holding	(Amount Rs. in Lacs)	
																Total	Total
1	Suditi Design Studio Limited	Incorporated by Suditi Industries Limited (23/03/2015)	Subsidiary follows same accounting period	INR	87	(257.89)	909.28	1,080.17	-	327.75	(157.34)	-	(157.34)	-	98.85		
2	Nil	Incorporated by Suditi Industries Limited (18/03/2015)	Subsidiary follows same accounting period	INR	5	(14.04)	3.48	12.52	-	-	(10.06)	-	(10.06)	-	80.00		
									Total								

- Names of Subsidiaries which are yet to commence operations  
Nil
- Names of Subsidiaries which have been liquidated or sold during the year.  
Nil

**Part B Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures		SA & Suditi Retail Pvt. Ltd.	
1.	Latest Audited Balance Sheet Date	11-09-2020	
2.	Date on which the Associate or Joint Venture was associated	19-09-2017	
3.	Shares of Associate or Joint Ventures held by the Company on the year end		
No.		50000	
	Amount of Investment in Associates or Joint Venture	500000	
	Extent of Holding (in percentage)	50%	
4.	Description of how there is significant influence	50% of the holdings is held by the Company & 50% of Board Members are also nominated by the Company	
5.	Reason why the Associate/Joint Venture is not consolidated	Consolidated as per Equity method	
6.	Networth attributable to shareholding as per latest Audited Balance Sheet	Nil	
7.	Profit or Loss for the year	(62754342)	
i.	Considered in Consolidation	Full	
ii.	Not Considered in Consolidation	N.A.	
1.	Names of Associates or Joint Ventures which are yet to commence operations		
Nil			
2.	Names of Associates or Joint Ventures which have been liquidated or sold during the year.		
Nil			

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2021

**62** The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 62

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

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344



**INDEPENDENT AUDITOR'S REPORT**

Ref No. 210827/009/R

To,  
**THE MEMBERS OF  
 SUDITI INDUSTRIES LIMITED**

**Report on the Audit of Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of **SUDITI INDUSTRIES LIMITED** ("the Holding Company"), its subsidiaries along with share in a joint venture, as listed in Annexure 'A' (the Company, its subsidiaries and joint venture together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the period ended on that date, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the report of the other auditor on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013("the Act") and other accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2021, the consolidated loss (including other comprehensive income) for the period ended on that date, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter:**

A. We draw attention to the following "Material Uncertainty Related to Going Concern" paragraph in the other Auditors Report

dated xx August, 2020 on the separate financial statements of "Suditi Design Studio Limited" and "Suditi Sports Apparels Limited", both subsidiaries of the company for the financial year ended on 31<sup>st</sup> March, 2020:

—"Suditi Design Studio Limited"

"We draw attention to Note 33 in the financial statements, which states that for the last 3 years the Company has incurred continuous losses; its net worth has been fully eroded and its current liabilities exceeded its current assets as at the Balance Sheet date. As stated in Note 33, these events or conditions, along with other matters as set forth in Note X, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, as stated in the Note, the Company has received an assurance of continued long-term support from the Parent Company basis which the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter."

—"Suditi Sports Apparel Limited"

"Attention is invited to Note 25 to the financial statements wherein it has been stated that the Company has commenced business activities this year only due to which the Company has incurred continuous losses; its net worth has been fully eroded and its current liabilities exceeded its current assets as at the Balance Sheet date; a condition that indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, as stated in the Note, there have been significant developments in the current financial year basis which management estimates a substantial increase in profitable business activities. Accordingly, the financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter."

Our opinion is not modified in respect of the above matters.

B. We draw your attention to Note 71 to the Consolidated financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

**Key Audit Matters:**

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



## Thirtieth Annual Report 2020 - 2021

Key Audit matter description	How the scope of our audit responded to the key audit matter
<p><b>Revenue from Contracts with Customers:</b> (Refer to Significant Accounting policies--para 11))</p> <p>Revenue from contracts with customer is recognized upon transfer of control of promised goods and is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates, based on contractually defined terms. In some cases, discounts estimated will be determined on sale of goods by the customers.</p> <p>Also, in certain cases the Company has contracts with customers which entitles them to right of return. At year end, amount of returns, and discounts that have been incurred and not yet settled with the customer are estimated and accrued. Estimating the amount of accrual at year-end is considered a key audit matter due to the judgements required to be made by management.</p>	<p>The audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>--Assessment of the processes of the Company for adoption of the new accounting standards.</li> <li>--Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Carrying out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls.</li> <li>--Testing the relevant controls including access and change management controls of information technology systems, which are relevant for appropriate measurement and presentation of revenue and related account balances.</li> </ul> <p>Performing following procedures on the samples selected:</p> <ul style="list-style-type: none"> <li>--Reading, analysing and identifying the distinct performance obligations in these contracts.</li> <li>--Comparing these performance obligations with that identified and recorded by the Company.</li> <li>--Testing sample of revenues with the performance obligation specified in the underlying contracts.</li> <li>--Carrying analytical procedure for reasonableness of revenue disclosed by segments.</li> <li>--Evaluating the appropriateness of adequate disclosures in accordance with the standards.</li> </ul>
<p><b>Inventory valuation:</b></p> <p>As described in para 17(i), 17(ii) &amp; 17(iii) of the Significant Accounting policies and Notes 56, 57 and 58 on Inventories, the Company carries inventory at the lower of cost and fair value less costs to sell using the weighted average cost basis. The Company provides for changes in value based on estimated inventory usage. This methodology relies upon assumptions made in determining appropriate provisioning percentages to apply to inventory balances.</p>	<p>We obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory provisions by:</p> <ul style="list-style-type: none"> <li>-- verifying the value of a sample of inventory items to confirm whether they are held at the lower of cost and net realizable value, through comparison to vendor invoices and sales prices;</li> <li>-- using data analytics to identify unusual inventory usage characteristics, completing assumption tolerance testing and recalculating the provision in totality.</li> </ul>
Key Audit matter description	How the scope of our audit responded to the key audit matter
<p><b>Contingent liabilities:</b> (Refer to Note 69)</p> <p>The Company has ongoing legal matters relating to previous corporate transactions which require management judgement to be applied in order to determine the likely outcome.</p> <p>Judgement is required in assessing the nature of these exposures and their accounting and disclosure requirements.</p>	<p>In assessing the potential exposures to the Company, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> <li>-- assessing the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>-- reading Board and other meeting minutes to identify areas subject to Company consideration;</li> <li>-- meeting with the Company's internal legal advisors in understanding ongoing and potential legal matters impacting the Company;</li> <li>-- reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.</li> </ul>
<p><b>Retail technology environment, including IT security</b></p> <p>The Company's retail operations utilise a range of information systems. Although <i>Tally</i> is the main accounting software, the other operational retail applications are connected through an interface. The absence of robust and accurate working of these software impacts the correct recording of amounts in Tally which could have an adverse impact on the Company's controls and financial reporting systems.</p>	<p>We continued to challenge and assess changes to the IT environments through the testing of remediated controls and concluding on the sufficiency and appropriateness of management's changes.</p> <p>During the year we have assessed the design and implementation of the Company's controls over the information systems that are important to financial reporting.</p> <p>Where we noted deficiencies, which affected applications and databases within the scope of our audit, we extended the scope of our substantive audit procedures.</p>

**Other matter:**

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

Our report is not modified in respect of this matter.

**Other Information:**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report—Chairman's Statement, Directors Report, Management Discussion & Analysis and Corporate Governance Report—other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for preparation of Ind AS financial statements. Further, in terms of provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether

due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Interim Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements

## Thirtieth Annual Report 2020 - 2021

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 828.73 lakhs and net assets of (Rs. 417.35) lakhs as at 31<sup>st</sup> March 2021, total revenue of Rs. 88.71 lakhs and net cash inflows amounting to Rs. 5.20 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 527.54 lakhs for the year ended 31<sup>st</sup> March 2021, as considered in the consolidated financial statements, in respect of the joint venture company, whose financials have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies and joint venture company, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below are not modified in respect of the above matters with respect to our reliance on the work done by and reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and of its joint venture company covered under the Act, none of the Directors of the Group company and joint venture company is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal controls with reference to the financial statements of the Group companies and its joint venture company covered under the Act and the operating effectiveness of such controls, refer to our separate report in "Annexure B". and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, - Refer Note No. 69 to the consolidated financial statements.
  - ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture company incorporated in India.
- (h) As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, covered under the Act, paid remuneration to their respective Directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

(Siddharth Punamiya)  
Partner

Place: Mumbai  
Date: August 27, 2021

Membership No.: 148540  
UDIN: 21148540AAAACJ7515



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

**List of subsidiaries and joint venture included in the Consolidated Financial Statements**

Name of entity	As at March 31, 2021	
	% holding	Consolidated as
Suditi Design Studio Ltd.	98.85%	Subsidiary
Suditi Sports Apparels Ltd.	80%	Subsidiary
SAA & Suditi Retail Pvt. Ltd.	50%	Joint Venture

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the financial statements of **Suditi Industries Ltd.**, (hereinafter referred to as "the Holding Company"), its subsidiary companies and joint venture company, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the entities of the Group, which are Companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards of Auditing, both issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013 to the extent applicable to an audit of internal

financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

## Thirtieth Annual Report 2020 - 2021

Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion and based on the consideration of the reports of the other auditors on internal financial control with reference to financial statements and to the best of our information and according to explanations given to us, the Holding Company, its subsidiary companies and joint venture company, which are incorporated in India, have, in all material respects, an adequate internal financial control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India".

### Other Matters

We did not audit the IFCFR in so far as it relates to joint venture company, which is a company covered under the Act, in respect of which, the Group's share of net loss of Rs. 527.54 lakhs for the year ended 31<sup>st</sup> March, 2021 has been considered in the consolidated financial statements. The IFCFR in so far as it relates to the subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCFR for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture is based solely on the report of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

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

(Siddharth Punamiya)  
Partner

Place: Mumbai  
Date: August 27, 2021

Membership No.: 148540  
UDIN: 21148540AAAACJ7515

# SUDITI INDUSTRIES LTD



## Suditi Industries Limited - Consolidated Results

Consolidated Balance Sheet as on 31-03-2021

(Amount in Rs.)

PARTICULARS	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, Plant and Equipment	24	7,71,99,577	8,85,07,969
b. Capital work-in-progress		1,42,26,660	1,28,49,230
c. Other Intangible assets	24	4,34,511	5,44,506
d. Intangible assets under development		20,78,378	20,78,378
e. Financial Assets			
i. Investments			
(a) Investments in Subsidiaries		-	-
(b) Investments in Joint Ventures		-	-
ii. Loans	25	8,72,85,871	8,64,60,395
iii. Others financial assets	26	3,44,778	3,36,555
f. Deferred tax assets (net)	27	9,96,749	13,93,990
g. Other non-current assets	28	50,000	3,64,053
<b>Total non-current assets</b>		<b>18,26,16,524</b>	<b>19,25,35,076</b>
<b>2 Current assets</b>			
a. Inventories	29	39,34,67,383	41,40,69,954
b. Financial Assets			
i. Other investments	30	1,11,024	55,584
ii. Trade receivables	31	33,50,09,589	43,88,92,414
iii. Cash and cash equivalents	32	38,33,589	69,45,692
iv. Loans	25	5,33,541	1,62,418
c. Current Tax Assets (Net)	33	76,64,190	70,92,742
d. Other Current Assets	28	9,83,55,158	13,48,00,772
<b>Total current assets</b>		<b>83,89,74,474</b>	<b>1,00,20,19,576</b>
<b>Total assets</b>		<b>1,02,15,90,998</b>	<b>1,19,45,54,652</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	34	17,55,41,230	17,55,41,230
b. Other equity	35	(2,08,07,087)	20,68,01,993
<b>Equity attributable to owners of the Company</b>		<b>15,47,34,143</b>	<b>38,23,43,223</b>
Non-Controlling Interest		(10,13,980)	(3,77,182)
<b>Total Equity</b>		<b>15,37,20,163</b>	<b>38,19,66,041</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	36	5,49,70,922	-
b. Provisions	41	48,09,391	32,24,307
c. Other non-current liabilities	37	1,61,81,161	1,62,85,492
<b>Total non-current liabilities</b>		<b>7,59,61,474</b>	<b>1,95,09,799</b>
<b>2 Current liabilities</b>			
a. Financial Liabilities			
i. Borrowings	38	35,18,66,218	38,20,91,116
ii. Trade payables	39		
Micro Enterprises & Small Enterprises		2,33,17,762	2,05,23,425
Others		24,24,85,078	25,99,66,575
iii. Other financial liabilities	40	2,44,03,941	3,64,21,771
b. Provisions	41	6,86,000	12,81,460
c. Other current liabilities	42	14,91,50,361	9,27,94,465
<b>Total current liabilities</b>		<b>79,19,09,360</b>	<b>79,30,78,812</b>
<b>Total liabilities</b>		<b>86,78,70,834</b>	<b>81,25,88,611</b>
<b>Total Equity and Liabilities</b>		<b>1,02,15,90,998</b>	<b>1,19,45,54,652</b>

See accompanying notes to the financial statements

5

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Vivek Gangwal**  
Director  
DIN: 01079807

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**Sanjula Sanghai**  
Director  
DIN: 00049344

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

## Thirtieth Annual Report 2020 - 2021

### Suditi Industries Limited - Consolidated Results

#### Consolidated Statement of profit and loss for the year ended March 31, 2021

(Amount in Rs.)

PARTICULARS	Notes	As at March 31, 2021	As at March 31, 2020
I Revenue from operations	43	50,12,78,803	94,87,84,568
II Other Income	44	30,94,471	64,25,787
<b>III Total Revenue (I + II)</b>		<b>50,43,73,274</b>	<b>95,52,10,355</b>
<b>IV Expenses</b>			
Cost of materials consumed	45	36,46,00,076	60,10,62,377
Changes in stock of finished goods, work-in-progress and stock-in-trade	46	(57,09,526)	(3,95,37,874)
Excise duty on sale of goods		-	-
Employee benefits expense	47	3,87,26,370	7,12,58,755
Finance costs	48	4,74,04,698	4,28,38,305
Depreciation and amortisation expense	49	1,59,09,269	2,09,23,894
Other Expenses	50	21,86,11,205	27,33,81,743
<b>Total Expenses (IV)</b>		<b>67,95,42,092</b>	<b>96,99,27,200</b>
<b>V Profit/(Loss) before Share of Profit/(Loss) of Associates/ Joint Ventures, exceptional items and tax</b>		<b>(17,51,68,818)</b>	<b>(1,47,16,845)</b>
<b>VI Tax expenses</b>			
(1). Current tax		-	18,82,990
(2). Deferred tax		3,78,484	(47,431)
		<b>3,78,484</b>	<b>18,35,559</b>
<b>VII Profit/(Loss) for the period (V - VI)</b>		<b>(17,55,47,302)</b>	<b>(1,65,52,404)</b>
<b>Other comprehensive income</b>	54		
A: (i) Items that will not be reclassified to Profit or Loss		74,525	18,36,214
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(18,758)	(4,62,175)
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		-	-
<b>VIII Total other comprehensive income [a+b]</b>		<b>55,767</b>	<b>13,74,039</b>
<b>IX Share of profit/(loss) in JV</b>		<b>(5,27,54,342)</b>	<b>(73,13,747)</b>
<b>X Total comprehensive income for the period (VII + VIII + IX)</b>		<b>(22,82,45,877)</b>	<b>(2,24,92,112)</b>
<b>XI Total comprehensive income for the period attributable to</b>			
Owners of the Parent		(22,76,09,080)	(2,21,10,826)
Non-controlling Interest		(6,36,797)	(3,81,286)
		<b>(22,82,45,877)</b>	<b>(2,24,92,112)</b>
Earnings per equity share (for continuing operations):			
(1). Basic (in Rs.)		(13.00)	(1.28)
(2). Diluted (in Rs.)		(13.00)	(1.28)

See accompanying notes to the financial statements

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344

# SUDITI INDUSTRIES LTD



**Suditi Industries Limited - Consolidated Results**  
**Consolidated Cash Flow Statement for the year ended March 31, 2021**

(Rs. in lacs)

	As at March 31, 2021	As at March 31, 2020
<b>Cash flows from operating activities</b>		
Profit before Tax	(1,751.69)	(147.17)
Adjustments for:		
Finance cost	474.05	428.38
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	159.09	201.01
Share of Profit/(loss) of joint ventures/others	(527.54)	(73.14)
Prior period account	0.33	0.11
Amortisation of Rights Issue Expenses	-	-
Profit on sale of fixed assets	-	-
Impairment loss, net of reversals on financial assets	(0.55)	0.79
Deferred Revenue/ Deferred Tax Adjustment	-	3.56
Employee's Compensation & other Equity Adjustment	-	(3.81)
Operating cash flow before movement in working capital	<b>(1,646.32)</b>	<b>409.73</b>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	1,035.12	437.53
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	206.03	(632.65)
(Increase)/decrease in other assets	358.74	(836.90)
Increase/ (Decrease) in Provisions	9.90	(19.20)
Increase/ (Decrease) in trade payables	(146.87)	555.68
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	443.79	788.86
<b>Cash generated from/(used in) operations</b>	<b>260.38</b>	<b>703.05</b>
Income Taxes Paid	0.00	(18.83)
<b>Net cash generated by/(used in) operating activities</b>	<b>260.38</b>	<b>684.22</b>
<b>Cash flows from investing activities</b>		
Payments to acquire financial assets	(58.68)	(141.44)
Proceeds on sale of financial assets	-	-
Movement in Long term loans and advances	(5.20)	(18.65)
Subsidy - Interest	-	-
Insurance claim received	-	-
Movement in Non Current Investments	-	0.27
<b>Net cash (used in)/generated by investing activities</b>	<b>(63.88)</b>	<b>(159.82)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity instruments of the Company	-	431.19
Proceeds from Non Current borrowings (Incl Deferred revenue)	-	(437.20)
Repayment of Non Current Borrowings	-	-
Proceeds from Current Borrowings	247.46	(24.43)
Movement in Other long term liabilities	(1.04)	(39.07)
Dividends paid on equity shares and convertible non-participating preference shares	-	(11.78)
Tax paid on Dividend	-	(2.42)
Interest paid	(474.05)	(428.38)
<b>Net cash (used in)/ raised from financing activities</b>	<b>(227.64)</b>	<b>(512.09)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(31.14)</b>	<b>12.31</b>
Cash and cash equivalents at the beginning of the year	69.46	57.14
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>38.33</b>	<b>69.45</b>



## Thirtieth Annual Report 2020 - 2021

### Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under the Section 133 of the Companies Act, 2013 & Rules made thereunder.
- The Statement of Cash Flow for the year ended 31/03/2021 has been approved by the Board of Directors based on the numbers provided by the respective Group Companies audited by other Auditors. Previous year figures have been regrouped where necessary.

(Rs. in lacs)

As at	As at March 31, 2021	March 31, 2020
3. Cash and Cash Equivalents comprises of:		
Cash on Hand	5.86	25.55
Balances with Banks		
- Current Accounts	9.09	16.45
Earmarked Balances with Banks		
- Unpaid Dividend	23.38	27.45
<b>Cash and Cash Equivalents in Cash Flow Statement</b>	<b>38.33</b>	<b>69.45</b>

By order of Board of Directors  
For **SUDITI INDUSTRIES LIMITED**

Place: Mumbai  
Date: 27th August, 2021

PAWAN AGARWAL  
CHAIRMAN  
DIN: 00808731

### 4. Explanatory Note on Ind AS 7

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

(Rs. in lacs)

	As at March 31, 2020	Cash Flows	Non-cash changes at		As at March 31, 2021
			Fair value changes	Current/ Non-current classification	
Borrowings - Non Current	-	549.71	-	-	549.71
Borrowings - Non Current FCD's	-	-	-	-	-
Other Non Current Financial Liabilities	162.85	(1.04)	-	-	161.81
Borrowings - Current	3,820.91	(302.25)	-	-	3,518.66

- In the Cash Flow Statement, Investment made by the Company in the 50:50 Joint Venture M/s. SAA & Suditi Retail Pvt. Ltd. amounting to Rs.5 lacs is accounted as per Equity method.

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021

**Vivek Gangwal**  
Director  
DIN: 01079807

**Sanjula Sanghai**  
Director  
DIN: 00049344



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**Statement of changes in Equity for the year ended 31st March, 2021.**

**a. Equity share capital**

**(Amount in Rs.)**

Particulars	Notes	Balance as at April 1, 2019	Changes in equity share capital during the year 2019-20	Balance as at March 31, 2020	Changes in equity share capital during the year 2020-21	Balance as at March 31, 2021
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021 ) ; (1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2020)	13	169820230	5721000	175541230	-	175541230

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### Other Equity

Particulars	Notes	Surplus				Amount in Rs.
		Securities Premium	Share option outstanding account	Retained Earnings	Items of Other Comprehensive income, that will not be reclassified to Statement of Profit & Loss	Total
<b>Balance at April 1, 2019</b>		<b>1,46,92,968</b>	<b>25,83,508</b>	<b>17,52,30,950</b>	<b>3,68,660</b>	<b>19,28,76,086</b>
Profit/ (loss) for the year				1,86,857		1,86,857
Other comprehensive income for the year, net of income tax					13,74,039	13,74,039
<b>Total comprehensive income for the year</b>		-	-	<b>1,86,857</b>	<b>13,74,039</b>	<b>15,60,895</b>
Recognition of share-based payments		1,40,160	(6,56,640)			(5,16,480)
Issue of Equity Shares on conversion of FCD's issued to HT Media		3,93,75,000				3,93,75,000
Ajustment Provision to Retained Earnings				(14,60,100)		(14,60,100)
Dividend Paid				(11,77,900)		(11,77,900)
Dividend distribution tax paid	12			(2,42,101)		(2,42,101)
Adjustment of Profit/Loss in Subsidiary				(1,62,99,660)		(1,62,99,660)
Share of Profit in Joint Venture				(73,13,747)		(73,13,747)
<b>Balance at March 31, 2020</b>		<b>5,42,08,128</b>	<b>19,26,868</b>	<b>14,89,24,299</b>	<b>17,42,698</b>	<b>20,68,01,994</b>
-						
Profit for the year				(15,18,05,290)		(15,18,05,290)
Other comprehensive income for the year, net of income tax					55,767	55,767
<b>Total comprehensive income for the year</b>		-	-	<b>(15,18,05,290)</b>	<b>55,767</b>	<b>(15,17,49,523)</b>
-						
Adjustment of Profit/Loss in Subsidiary				(2,31,05,215)		(2,31,05,215)
Share of Profit in Joint Venture				(5,27,54,342)		(5,27,54,342)
<b>Balance at March 31, 2021</b>		<b>5,42,08,128</b>	<b>19,26,868</b>	<b>(7,87,40,548)</b>	<b>17,98,465</b>	<b>(2,08,07,087)</b>

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

**Pawan Agarwal**  
Chairman  
DIN: 00808731

**Vivek Gangwal**  
Director  
DIN: 01079807

**Rajagopal Raja Chinraj**  
Executive Director & CEO  
DIN: 00158832

**Sanjula Sanghai**  
Director  
DIN: 00049344

**H.Gopalkrishnan**  
Company Secretary  
Mumbai, 27th August, 2021



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**1 Group overview:**

- (a) The Group, Suditi Industries Limited (SIL) (Parent Co) and its Subsidiaries majorly is in the business of processing and manufacturing of knitted hosiery fabrics and readymade garments. The company is also in the business of retail sector. The manufacturing facilities of the group are situated in India.

The Parent Company is a public limited Company domiciled and incorporated in India and its Shares are publicly traded on the Bombay Stock Exchange (BSE Ltd). The Registered Office of the Company is situated at Lower Parel - Mumbai - 400013.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on August 20, 2021.

- (b) Basis of Preparation:

The consolidated financial statements consist of Suditi Industries Ltd (SIL), its subsidiaries and joint venture. Subsidiaries are those entities in which SIL directly or indirectly has interest more than 50% of the voting rights. The Company has adopted Equity Method of Accounting while Consolidating the Financial Results of its Joint Venture Company M/s. SAA & Suditi Retail Pvt. Ltd. as per Ind AS - 28 "Investments in Associates and Joint Ventures". In terms of the Joint Venture agreement executed by the Company with Project Anushka Sharma Lifestyle Pvt. Ltd., the Company has accounted the entire loss of the Joint Venture (its share of profit is recognized in the previous year) in the Consolidated Financial Statements together with the Investment.

- 2 a) The Consolidated Financial Statements comprises of audited Financial statements of Suditi Industries Limited (SIL) and the followings as on 31/03/2021.

Name	Proportion of ownership interest		Financial Statements as on	For the period
	31-03-2021	31-03-2020		
<b>Subsidiaries &amp; Indirect Subsidiary</b>				
Suditi Design Studio Limited	98.85%	98.85%	31-03-2021	12 Months
Suditi Sports Apparels Limited	80%	80%	31-03-2021	12 Months
<b>Joint Venture</b>				
SAA & Suditi Retail Private Limited	50%	50%	31-03-2021	12 Months

- b) The Financial Statements of the parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – "Consolidated Financial Statements". The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Noncontrolling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest.
- d) The difference between the cost of investment and share of net assets in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) One of the Subsidiary i.e Suditi Design studio limited has not recognised deferred tax assets in its books as the Management does not consider it appropriate to account for the Net Deferred Tax Asset due to uncertainty of future profits. Accordingly, the same is not recognised in Consolidated Financial statements.
- f) The Accounting policies of the parent Company, its subsidiary and Joint Venture are largely similar.
- g) Significant Accounting policies and notes accompanying to financial statements of the Company and its subsidiaries are set out in their respective financial statements.

**3 Reporting and presentation currency:**

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

## Thirtieth Annual Report 2020 - 2021

### **4 Critical accounting estimates, assumptions and judgements:**

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

#### (i) Deferred income tax assets and liabilities:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

#### (ii) Useful lives of property, plant and equipment ('PPE') and intangible assets:

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

#### (iii) Employee benefit obligations:

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### (iv) Provisions and contingencies:

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements.

Contingent assets are not disclosed in the consolidated financial statements unless an inflow of economic benefits is probable.

### **5 Changes in significant accounting policies:**

The Company has initially applied Ind AS 115 from 01 April, 2018. Due to the transition method chosen, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standard.

Ind AS 115 'Revenue from contracts with customers'

Ind AS 115 'Revenue from Contracts with Customers' replaces Ind AS 18 'Revenue', Ind AS 11 'Construction Contracts', and several revenue-related Interpretations. The new Standard has been applied retrospectively without restatement, with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at 01 April 2018. There has been no effect on the Company of initially applying this standard.

### **6 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group:**

Certain new accounting standards and interpretations have been published that are not mandatory from 31 March 2019 reporting periods. Management adopted all the relevant pronouncements for the first period beginning on or after the effective date of the pronouncement.

### **7 Ind AS 116 'Leases':**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Based on preliminary assessment, the management does not foresee a material impact on adoption of the standard.



#### 8 Ind AS 12 Appendix C, 'Uncertainty over Income Tax Treatment':

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Group is currently reported losses and accordingly evaluating the effect of this amendment on the consolidated financial statements.

#### 9 Amendment to Ind AS 12 – 'Income taxes':

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not see currently any effect of this amendment on the consolidated financial statements.

#### 10 Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group does not have any impact on account of this amendment.

#### 11 Revenue from contracts with customers:

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

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

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

(i) Sale of fabrics and garments:

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

(ii) Sale of scrap:

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

(iii) Dividend and interest income:

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

(iv) Export benefits:

Income from duty drawback and export benefit under duty free credit entitlements is recognised in the Statement

## Thirtieth Annual Report 2020 - 2021

of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is certainty that the consideration is unconditional because only the passage of time is required before the payment is due.

### 12 Property, plant and equipment:

#### (i) Plant and equipment:

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

#### (ii) Land:

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses. The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

### 13 Impairment testing of intangible assets and property, plant and equipment:

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### 14 Depreciation and amortization:

Depreciation on property, plant and equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by management based on technical evaluation and advice. The residual value is generally assessed as 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

### 15 Leases:

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 16 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value



through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost. Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified. Classification and subsequent measurement of financial assets for the purpose of subsequent measurement financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortised cost
- b. Fair Value Through Other Comprehensive Income (FVOCI) or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- a. Financial assets at amortised cost:

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

- b. Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

- c. Financial assets at Fair Value Through Profit and Loss (FVTPL):

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

## 17 Inventories:

- (i) Raw materials:

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out basis.

- (ii) Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished



## Thirtieth Annual Report 2020 - 2021

goods includes goods & services tax/excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(iii) **Stores and Spares:**

Stores and spares consists of packing materials, engineering spares and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method. The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

### **18 Post-employment benefits and short-term employee benefits:**

**Defined contribution plan:**

Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) **Provident fund:**

The Holding Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due. Contributions to defined contribution pension scheme are recognised as an expense in the period which the related service is performed.

(ii) **Other funds:**

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

**Defined benefit Plan:**

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below:

(i) **Gratuity:**

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability. Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) **Leave salary - compensated absences :**

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

### **19 Taxation:**

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax liabilities are generally recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a



result of these exemptions the Group does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

**20 Contingent liabilities and provisions:**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote. The Group does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

**21 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.

**22 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.

**23 Asset held for sale:**

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 24 Property, plant and equipment and capital work-in-progress (Amount in Rs.)

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Land ( Leasehold )	15,50,322	15,73,289
Building	1,00,14,318	1,27,11,207
Plant & Machinery	1,92,31,365	1,72,59,880
Furniture and Fixtures	3,03,62,136	3,66,71,539
Office & Other Equipments	77,67,653	95,44,806
Computers	10,84,963	21,61,864
Electric Installation	58,95,886	69,55,699
Vehicles	12,92,934	16,29,684
Right to use Amortised Value of Assets	-	-
	<b>7,71,99,577</b>	<b>8,85,07,969</b>
Capital work-in-progress	1,42,26,660	1,28,49,230
	<b>9,14,26,236</b>	<b>10,13,57,199</b>

#### Other intangible assets

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Software	4,34,511	5,44,506
	<b>4,34,511</b>	<b>5,44,506</b>
Intangible assets under development	20,78,378	20,78,378
	<b>25,12,889</b>	<b>26,22,884</b>

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



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

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

Property, Plant & Equipment :

Particulars	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Right to use Amortised Value of Assets	Total
<b>Gross Block</b>										
<b>Cost or Deemed Cost</b>										
Balance at March 31, 2020	16,42,190	3,84,72,991	29,88,15,751	7,62,66,224	2,25,95,826	1,95,79,230	1,99,27,361	24,54,577	38,53,870	48,36,08,020
Additions	-	-	43,61,800	6,610	-	89,439	56,000	-	-	45,13,849
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	16,42,190	3,84,72,991	30,31,77,551	7,62,72,834	2,25,95,826	1,96,68,669	1,99,83,361	24,54,577	38,53,870	48,81,21,869
<b>Accumulated depreciation and impairment</b>										
Balance at March 31, 2020	68,901	2,57,61,784	28,15,55,870	3,95,94,684	1,30,51,020	1,74,17,366	1,29,71,662	8,24,893	38,53,870	39,50,31,150
Depreciation charge for the year	22,967	26,96,889	23,90,315	63,16,013	17,77,153	11,66,340	11,15,813	3,36,750	-	1,57,99,274
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	0
Balance at March 31, 2021	91,868	2,84,58,673	28,39,46,186	4,59,10,698	1,48,28,173	1,85,83,706	1,40,87,475	11,61,643	38,53,870	41,08,30,424
<b>Carrying amount</b>										
Balance at March 31, 2020	15,73,289	1,27,11,207	1,72,59,880	3,66,71,539	95,44,806	21,61,864	69,55,699	16,29,684	-	8,85,07,969
Balance at March 31, 2021	15,50,322	1,00,14,318	1,92,31,365	3,03,62,136	77,67,653	10,84,963	58,95,886	12,92,934	-	7,71,99,577

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### Other Intangible Assets

	Software	Trademark	Total
<b>Gross Block</b>			
<b>Cost or Deemed Cost</b>			
<b>Balance at March 31, 2020</b>	44,48,057	3,00,000	47,48,057
Additions	-	-	-
Disposals	-	-	-
<b>Balance at March 31, 2021</b>	44,48,057	3,00,000	47,48,057
<b>Accumulated depreciation and impairment</b>			<b>Total</b>
<b>Balance at March 31, 2020</b>	39,03,551	3,00,000	42,03,551
Depreciation charge for the year	1,09,995	-	1,09,995
<b>Balance at March 31, 2021</b>	40,13,546	3,00,000	43,13,546
<b>Carrying amount</b>			<b>Total</b>
Balance at March 31, 2020	5,44,506	-	5,44,506
Balance at March 31, 2021	4,34,511	-	4,34,511

During the previous year the company had discontinued the lease agreement with the associate company due to regulatory and compliance requirements. Accordingly the balance in the account towards the amount amortized and the corresponding liability towards obligation to pay the lease rent were appropriately revoked and settled. As these accounting treatments are compensating in nature no significant impact is there in the profit and loss account.

#### 25 Loans

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non- Current</b>		
<b>Unsecured, considered Good</b>		
Security Deposits	8,44,94,061	8,36,68,585
Capital Advances	27,91,810	27,91,810
<b>Total</b>	<b>8,72,85,871</b>	<b>8,64,60,395</b>
<b>Current</b>		
Loans & Advances to Employees	5,33,541	1,62,418
<b>Total</b>	<b>5,33,541</b>	<b>1,62,418</b>

#### 26 Other Non Current Financial Assets

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
<b>Fixed Deposit with Banks</b>	3,44,778	3,36,555
Bank deposits with original maturity for more than 12 months		
<b>Total</b>	<b>3,44,778</b>	<b>3,36,555</b>



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**27 Deferred Tax Assets/(Liabilities)**

**(Amount in Rs.)**

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

Particulars	As at March 31,2021	As at March 31, 2020
Net Deferred Tax (Liability)/ Asset	9,96,749	13,93,990
<b>Total</b>	<b>9,96,749</b>	<b>13,93,990</b>

Particulars	As at March 31,2021	As at March 31, 2020
<b>Deferred tax Assets</b>		
Related to Other Current Liabilities	2,61,313	(3,48,464)
Related to Plant, Property & Equipment	8,10,996	19,97,502
<b>Total</b>	<b>10,72,309</b>	<b>16,49,038</b>
<b>Deferred tax Liabilities</b>		
<b>Total</b>	<b>-</b>	<b>-</b>
Deffered Tax Liability on OCI	(75,560)	(75,560)
Impact of Change in Tax Rate	-	(179488)
<b>Net deferred tax (liability) / asset</b>	<b>9,96,749</b>	<b>13,93,990</b>

**28 Other Assets**

**(Amount in Rs.)**

Particulars	As at March 31,2021	As at March 31, 2020
<b>(A) Other Non- Current Assets</b>		
<b>Unsecured, Considered Good</b>		
Prepaid Rent	-	3,14,053
- Other Security Deposits	50,000	50,000
<b>Total of Other Non- Current Assets</b>	<b>50,000</b>	<b>3,64,053</b>
<b>(B) Other Current Assets</b>		
- Other Advances	52,58,307	3,27,12,971
Advance to Suppliers	5,48,73,838	6,93,04,805
Prepaid Expenses	6,86,758	16,34,170
<b>Others:-</b>		
- <b>Balances with government authorities</b>		
- Central Excise and Customs	5,37,490	5,37,490
GST receivable	2,79,88,474	2,06,43,563
Sales tax Refund and Set-off	90,10,291	99,67,773
<b>Total of Other Current Assets</b>	<b>9,83,55,158</b>	<b>13,48,00,772</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 29 Inventories

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Inventories (lower of cost and net realisable value)</b>		
- Raw materials	1,38,44,436	4,05,02,360
- Work-in-progress	46,91,431	1,13,87,098
- Finished goods	36,86,43,882	35,62,38,689
- Stock-in-trade	-	-
- Stores and spares	57,36,163	55,45,654
- Fuel & Oil	5,51,471	3,96,153
<b>Total</b>	<b>39,34,67,383</b>	<b>41,40,69,954</b>

#### Details of inventories pledged as security for liabilities is as follows:

Particulars	Amount (Rupees)	Security hypothecated/ pledged against
<b>31st March 2021</b>		
— Raw Materials / Work-in-progress	1,85,35,867	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	36,86,43,882	
<b>31st March 2020</b>		
— Raw Materials / Work-in-progress	5,18,89,458	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	35,62,38,689	

#### Mode of valuation:

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

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

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

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Finished goods are valued on standard cost basis that approximates to actual cost.

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

30 Other investments (Amount in Rs.)

Current	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
<b>(A) Investments in Equity Instruments</b>				
Quoted- Others (At Fair Value through OCI)				
IDBI Bank Limited - Fully paid-up [2880 (Including Bonus Shares issues of 1080 shares)]	2,880	1,11,024	2,880	55,584
<b>Total Aggregate Quoted Investments (A)</b>	<b>2,880</b>	<b>1,11,024</b>	<b>2,880</b>	<b>55,584</b>
<b>Aggregate Book Value of quoted investments</b>				
		1,11,024		55,584

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

31 Trade Receivables (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
<b>Secured</b>		
(a) Considered good	-	-
— From Related Parties	5,38,50,924	1,94,99,388
— From Others	13,94,72,295	16,72,57,704
<b>Unsecured</b>		
(a) Considered good		
— From Related Parties	-	18,92,468
— From Others	18,97,82,595	25,46,92,161
(b) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	80,85,558	1,49,91,093
<b>Allowance for expected credit loss</b>		
(a) Receivables which have significant increase in credit risk		
— From Related Parties	-	-
— From Others	(5,61,81,783)	(1,94,40,400)
<b>Credit impaired</b>		
	-	-
<b>Total</b>	<b>33,50,09,589</b>	<b>43,88,92,414</b>

Movement in provisions of doubtful debts (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Provision	1,94,40,400	11,40,387
Add : Additional Provision made	3,83,04,589	1,83,00,013
Less : Provision write off	15,63,206	-
<b>Closing Provisions</b>	<b>5,61,81,783</b>	<b>1,94,40,400</b>

**Note :** Allowance for bad & doubtful debts is created in accordance with 'expected credit loss' model prescribed under Ind AS 109. Trade receivables are non-interest bearing and credit period generally falls in the range of 30 to 90 days terms.



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 32 Cash and Cash Equivalents (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks	9,09,082	16,45,035
Cash on hand	5,86,323	25,55,497
<b>Others :</b>		
a) Earmarked balances with banks (Dividend accounts)	23,38,184	27,45,160
<b>Total</b>	<b>38,33,589</b>	<b>69,45,692</b>

Note : The Unpaid dividend amount will be transferred to Investor Education & Protection Fund as & when due.

#### 33 Current tax assets (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current tax assets</b>		
Income Tax (Net of provisions)	76,64,190	70,92,742
<b>Total</b>	<b>76,64,190</b>	<b>70,92,742</b>

#### 34 Equity share capital (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Equity share capital	17,55,41,230	17,55,41,230
<b>Total</b>	<b>17,55,41,230</b>	<b>17,55,41,230</b>
<b>Authorised Share Capital</b>		
2,50,00,000 Fully paid equity shares of Rs.10/- each	25,00,00,000	25,00,00,000
<b>Issued, subscribed &amp; Paid Up</b>		
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021) ; (1,75,54,123 of 10 each as at March 31, 2020)	17,55,41,230	17,55,41,230
<b>Total</b>	<b>17,55,41,230</b>	<b>17,55,41,230</b>
<b>Fully paid equity shares</b>		
	<b>Number of shares</b>	<b>Share capital (Amount)</b>
<b>Balance at March 31, 2020</b>	<b>1,75,54,123</b>	<b>17,55,41,230</b>
Addition to equity share capital during the year	-	-
<b>Balance at March 31, 2021</b>	<b>1,75,54,123</b>	<b>17,55,41,230</b>

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

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



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
Pawan Kishorilal Agarwal	1,12,79,991	64.260	1,12,79,991	64.260

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

**Shares reserved for issue under options**

960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. The company has so far allotted 317320 shares including the 9600 shares allotted to one employee in the year May 2019. There are no option granted and pending to be exercised by the employees. The balance as on 31st March 2021 is 642680 options which is yet to be granted to the employees from reserved portion of the equity capital.

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

**35 Other Equity**

**(Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings	(7,87,40,549)	14,89,24,298
Securities premium reserve	5,42,08,128	5,42,08,128
Share option outstanding account	19,26,868	19,26,868
Other items of other comprehensive income	17,98,466	17,42,699
<b>Total</b>	<b>(2,08,07,087)</b>	<b>20,68,01,993</b>

The details are as follows:-

Retained Earnings	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	14,89,24,298	17,52,30,950
Add: Profit During the year	(15,18,05,290)	1,86,857
Impact on Account of Deferred Tax	-	-
Adjustment Provision to Retained Earnings	-	(14,60,100)
IndAS Adjustments ( P.Y )	-	-
Adjustment of Profit/Loss of Subsidiary	(2,31,05,215)	(1,62,99,661)
Adjustment of Capital Reserve of Subsidiary	-	-
Share of Profit/(Loss) in Joint Venture	(5,27,54,342)	(73,13,747)
Dividend Paid	-	(11,77,900)
Dividend distribution tax paid	-	(2,42,101)
<b>Balance at end of year</b>	<b>(7,87,40,549)</b>	<b>14,89,24,298</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 36 Non-current borrowings (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
(ii). Term loans		
- From banks	6,90,53,089	-
Less: Current maturities of Long-term debt	1,40,82,167	-
<b>Total non-current borrowings</b>	<b>5,49,70,922</b>	<b>-</b>

#### 37 Other non-current liabilities (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Security Deposits	1,61,81,161	1,62,85,492
<b>Total</b>	<b>1,61,81,161</b>	<b>1,62,85,492</b>

#### 38 Current borrowings (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>a). Loans repayable on demand</b>		
- from Commercial Banks	34,94,59,169	35,96,75,740
- from others	24,07,049	2,24,15,376
<b>Total</b>	<b>35,18,66,218</b>	<b>38,20,91,116</b>

Secured Loans are the Credit Facilities availed by the Company from its existing Borrower Banks M/s. Axis Bank Limited and The South Indian Bank Limited under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of India (RBI) to support the Companies during the pandemic period. The Company has received Rs.4,85,00,000/- from Axis Bank Limited and Rs.1,96,93,000/- from The South Indian Bank Limited being 20% on the outstanding exposure of the Company with these Banks as on 29/02/2020. These Facilities are extended without any Guarantee by the Bank. However, these loans are secured against the hypothecation of its Inventory & Book Debts. The Rate of Interest charged by Axis Bank Limited is 8.75% and The South Indian Bank Limited is 8.70%. The Loan shall be repayable in 4 years with a moratorium period of 1 year.

Loans of Commercial Banks includes the borrowings from Axis Bank Limited and The South Indian Bank Limited. Rate of interest charged for the working capital borrowing in respect of Axis Bank Limited is Repo Rate + 4.85% & The South Indian Bank Limited is Repo Rate + 6.70%. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai and also personal guarantee executed by Chairman Shri Pawan Agarwal in favour of both the Banks. Further the loan from Commercial Banks also includes borrowing from Indian Overseas Bank availed by the Subsidiary Company M/s. Suditi Design Studio Limited.

#### 39 Trade payables (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises	2,33,17,762	2,05,23,425
(b) Total outstanding dues of creditors other than microenterprises and small enterprises	24,24,85,078	25,99,66,575
<b>Total</b>	<b>26,58,02,840</b>	<b>28,04,90,000</b>

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

i) Principal amount remaining unpaid to any supplier as at the end of the year	2,33,17,762	2,05,23,425
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	605305	1088586
v) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**40 Other financial liabilities (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Current</b>		
a Employee Benefits Payable	75,21,872	78,26,775
b Outstanding Expenses	55,87,297	1,55,12,327
c Vendor Payment Facility	89,56,821	1,03,37,761
d Unpaid Dividend	23,37,951	27,44,908
<b>Total</b>	<b>2,44,03,941</b>	<b>3,64,21,771</b>

Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end. However an amount of Rs.404207/- has been reported to MCA (ROC) under the rules of the Investor Education and Protection Fund which will be transferred in the year 2021-22.

**41 Provisions (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current</b>		
Defined benefit liability (net)	28,99,553	22,15,469
Other long term employee obligations	19,09,838	10,08,838
<b>Total</b>	<b>48,09,391</b>	<b>32,24,307</b>
<b>Current</b>		
Defined benefit liability (net)	-	-
Other long term employee obligations	-	6,45,960
Audit Fees Payable	6,86,000	6,35,500
<b>Total</b>	<b>6,86,000</b>	<b>12,81,460</b>

**42 Other current liabilities (Amount in Rs.)**

Particulars	As at March 31, 2021	As at March 31, 2020
TDS Payable	7,35,740	11,05,767
Professional Tax Payable	32,900	54,825
Income tax payable	-	18,82,990
Advance to employee	-	-
Advances from Customers	7,13,56,806	7,87,22,557
Provident fund	2,89,413	4,48,644
ESIC 38,699	83,420	
Current maturities of Long-term debt	1,40,82,167	-
Sales tax	87,118	87,118
GST Payable	-	6,35,968
Share of loss from JV	6,25,27,518	97,73,176
<b>Total</b>	<b>14,91,50,361</b>	<b>9,27,94,465</b>

Note: Current maturities of Long-term debt is the installment due for payment pertaining to Emergency Credit Line Guarantee Scheme (ECLGS) in the year 2021-22.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 43 Revenue from operations (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>A. Revenue from contracts with customers disaggregated based on nature of product or services</b>		
(a) Revenue from Sale of Products:		
- Manufactured goods	49,99,93,012	94,77,83,239
- Stock-in-trade	-	-
<b>Sub-Total (a)</b>	<b>49,99,93,012</b>	<b>94,77,83,239</b>
(b) Other operating revenues:		
- Export incentives	-	-
- Royalty received From subsidiaries and associates	-	-
- Royalty received From others	-	-
- Scrap Sales	12,61,368	10,01,329
- Others (specify details)	24,423	-
<b>Sub-Total (b)</b>	<b>12,85,791</b>	<b>10,01,329</b>
<b>Total Revenue from Operations (a+b)</b>	<b>50,12,78,803</b>	<b>94,87,84,568</b>
<b>B. Revenue from contracts with customers disaggregated based on geography</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
The table below presents disaggregated revenue from contracts with customers for the year ended March 2020 and March 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors		
(a) Domestic	50,12,78,803	94,87,84,568
(b) Exports	-	-
<b>Total Revenue from Operations (a+b)</b>	<b>50,12,78,803</b>	<b>94,87,84,568</b>
<b>C. Reconciliation of Gross Revenue from Contracts With Customers</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Gross Revenue	67,06,94,962	1,08,57,85,142
Less : Discount	7,64,35,240	12,87,17,308
Less : Returns	9,27,21,120	82,33,522
Less : price concession	2,59,799	49,745
Less : incentives and performance bonus	-	-
Less : Others (specify details)	-	-
<b>Net Revenue recognised from Contracts with Customers</b>	<b>50,12,78,803</b>	<b>94,87,84,568</b>

#### 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.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

44 Other Income (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(a). Interest Income from:</b>		
- Bank deposits	8,223	20,961
	<b>8,223</b>	<b>20,961</b>
<b>(b). Other non-operating income</b>		
- Miscellaneous Income (Fees, Charges & Write Backs)	30,86,248	64,04,826
	<b>30,86,248</b>	<b>64,04,826</b>
<b>(a + b)</b>	<b>30,94,471</b>	<b>64,25,787</b>

(Amount in Rs.)

45 Cost of Materials consumed

	As at March 31, 2021	As at March 31, 2020
Opening stock	4,05,02,360	1,81,30,312
Add: Purchases	33,79,42,152	62,34,34,425
Less: Closing stock	1,38,44,436	4,05,02,360
	<b>36,46,00,076</b>	<b>60,10,62,377</b>
<b><u>Raw Material and packaging material consumed:</u></b>		
Chemicals	1,88,67,446	4,07,02,344
Dyes	1,08,62,683	2,44,21,062
Yarn & Fabric	30,81,21,575	44,62,04,572
Other Raw Materials	2,67,48,372	8,97,34,399
	<b>36,46,00,076</b>	<b>60,10,62,377</b>

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

Inventories at the end of the year: (Amount in Rs.)

Finished goods	36,86,43,882	35,62,38,689
Work-in-progress	46,91,431	1,13,87,098
Stock-in-trade	-	-
	<b>37,33,35,313</b>	<b>36,76,25,787</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	35,62,38,689	31,04,05,550
Work-in-progress	1,13,87,098	1,76,82,363
Stock-in-trade	-	-
	<b>36,76,25,787</b>	<b>32,80,87,913</b>
	<b>(57,09,526)</b>	<b>(3,95,37,874)</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 47 Employee benefits expenses (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries, Wages and Bonus	3,43,20,229	6,31,89,743
Contribution to provident funds and other funds	24,58,429	36,64,060
Staff Welfare Expenses	19,47,712	44,04,952
Employees Share based payment expenses	-	-
<b>Total Employee benefit expenses</b>	<b>3,87,26,370</b>	<b>7,12,58,755</b>

#### 48 Finance Costs (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Interest and Finance charges on financial liabilities carried at amortised cost</b>		
Interest on borrowings	4,24,00,491	3,90,77,040
Interest on Trade payables	1,63,545	12,97,163
Interest on Income Tax	-	4,96,408
Interest on TDS	-	-
Interest on MSME	6,05,305	10,88,586
Interest on Vehicle Loan	17,779	58,722
Other interest expenses	42,17,578	8,20,386
<b>Total Interest on Financial Liabilities carried at amortised cost</b>	<b>4,74,04,698</b>	<b>4,28,38,305</b>

#### 49 Depreciation and amortisation expense (Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment	1,57,99,274	1,68,80,967
Amortisation of intangible assets	1,09,995	1,89,057
Depreciation on Right to Use assets	-	38,53,870
<b>Total depreciation and amortisation expenses</b>	<b>1,59,09,269</b>	<b>2,09,23,894</b>



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**50 Other expenses**

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Consumption of Stores, Spares & Consumable	2,09,43,655	2,24,72,844
Consumption Of Packing Materials	38,27,452	61,60,837
Sub Contracting	7,23,20,110	12,00,43,933
Power & Fuel	3,62,74,379	5,86,83,465
Cam charges	-	1,85,504
Water	53,34,687	89,68,227
Rent Including Lease Rentals	30,33,663	49,72,654
Repairs & Maintenance:		
- Building	2,58,412	1,98,718
- Machinery	14,23,038	35,74,343
- Others	36,96,852	46,46,973
Insurance	16,09,920	13,70,757
Garment Expenses	14,490	68,539
Rates & Taxes	6,38,577	5,63,361
Telephone & Communication Charges	10,96,295	14,78,062
Travelling & Conveyance	10,34,138	30,36,180
Printing & Stationery	6,92,126	14,21,632
Sales Commission	10,73,990	5,42,971
Discount on sales	-	-
Pilferage & Shortage	95,144	17,877
Royalty	37,94,644	43,65,345
Donation & Contributions	9,75,000	-
Legal & Professional fees	39,96,283	63,69,108
Statutory Auditors Remuneration*	9,05,000	9,21,250
Transportation Charges	53,43,793	72,09,371
Bank Charges, Commission & Others	21,65,321	15,51,086
Advertisement Expenses	9,63,005	12,30,023
Motor Car Expenses	6,89,455	14,14,876
Security Charges	29,75,865	33,92,747
Registrar & Transfer Expenses	62,959	2,71,319
Subscription & Membership	4,76,502	49,364
Establishment Management Fees (Garment)	-	-
Prior Period Expenses	32,617	10,670
Sundry Balance w/off	10,302	6,758
Amortisation of Land	22,967	22,967
Discounting Charges on Amortised Assets	-	15,69,561
Provision for Bad & Doubtful Debts	3,83,04,589	30,35,947
Miscellaneous Expenses	23,48,368	34,21,994
Loss on sale of Motor Car	-	68,747
Prepaid Expenses - Security Deposit	-	24,938
GST Expenses	-	38,795
Business Promotion Expense	21,77,607	-
<b>Total</b>	<b>21,86,11,205</b>	<b>27,33,81,743</b>

**\*Statutory Auditors Remuneration**

Particulars	As at March 31, 2021	As at March 31, 2020
a) For audit	7,55,000	7,71,250
b) For taxation matters	1,50,000	1,50,000
<b>Total</b>	<b>9,05,000</b>	<b>9,21,250</b>



## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### 51 Financial Risk Management Objectives & Policy

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

##### 1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly of risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The Company has a moderate risk management system monitored by Risk Management Committee to inform Board Members about risk management and minimization procedures.

##### a) Foreign currency risk management

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

##### b) Interest rate risk

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

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

(Amount in Rupees)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Loans in Rupees:</b>		
a) Fixed Rate borrowings	65,370,896	3,21,11,144
b) Floating Rate borrowings	341,466,244	34,99,79,972
<b>Sub-Total</b>	<b>406,837,140</b>	<b>38,20,91,116</b>
Add: Upfront Fees		
<b>Total Borrowings</b>	<b>406,837,140</b>	<b>38,20,91,116</b>

##### Interest Rate Sensitivity :

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

Particulars	As at March 31, 2021	As at March 31, 2020
Change in basis Points	25	25
Effect on profit / (loss) before tax	(8,53,666)	(8,74,950)
Change in Basis Points	(25)	(25)
Effect on profit / (loss) before tax	8,53,666	8,74,950



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**c) Commodity price risk:**

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

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

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices of its products and the prices of input raw materials move in the same direction.

**2) Credit risk management:**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the trade receivables and financial instruments and deposits with banks.

**Trade receivables:**

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Credit risk on receivables from organized and bigger buyers is mitigated by securing the same against letters of credit and guarantees of reputed nationalized and private sector banks/ part advance payments/post dated cheques.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

**Ageing of Trade Receivables:**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Upto 6 Months</b>	119313605	217507096
<b>Above 6 months</b>	215695983	221385318
<b>Grand Total</b>	335009589	438892414

**Financial Instruments and Deposits with Banks:**

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

**3) Liquidity risk management**

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

profiles of financial assets and liabilities. The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

#### Liquidity exposure as at 31 March 2021

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets:</b>					
Non-current investments	-	-	-	-	-
Current investments	1,11,024	1,11,024	-	-	1,11,024
Loans	5,33,541	5,33,541	-	-	5,33,541
Trade receivables	33,50,09,589	33,50,09,589	-	-	33,50,09,589
Cash and cash equivalents	38,33,589	38,33,589	-	-	38,33,589
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3,44,778	3,44,778	-	-	3,44,778
Inventory	39,34,67,383	39,32,35,498	2,31,885	-	39,34,67,383
<b>Total financial assets</b>	<b>73,32,99,904</b>	<b>73,30,68,019</b>	<b>2,31,885</b>	<b>-</b>	<b>73,32,99,904</b>
<b>Financial liabilities:</b>					
Long term borrowings	5,49,70,922	5,49,70,922	-	-	5,49,70,922
Short term borrowings	35,18,66,218	35,18,66,218	-	-	35,18,66,218
Trade payables	26,58,02,840	26,58,02,840	-	-	26,58,02,840
Other financial liabilities	2,44,03,941	2,44,03,941	-	-	2,44,03,941
<b>Total financial liabilities</b>	<b>69,70,43,921</b>	<b>69,70,43,921</b>	<b>-</b>	<b>-</b>	<b>69,70,43,921</b>

#### Liquidity exposure as at 31 March 2020

(Amount in Rupees)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets:</b>					
Non-current investments	-	-	-	-	-
Current investments	55,584	55,584	-	-	55,584
Loans	1,62,418	1,62,418	-	-	1,62,418
Trade receivables	43,88,92,414	43,88,92,414	-	-	43,88,92,414
Cash and cash equivalents	69,45,692	69,45,692	-	-	69,45,692
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3,36,555	3,36,555	-	-	3,36,555
Inventory	41,40,69,954	41,38,38,069	2,31,885	-	41,40,69,954
<b>Total financial assets</b>	<b>86,04,62,617</b>	<b>86,02,30,732</b>	<b>2,31,885</b>	<b>-</b>	<b>86,04,62,617</b>
<b>Financial liabilities:</b>					
Long term borrowings	-	-	-	-	-
Short term borrowings	38,20,91,116	38,20,91,116	-	-	38,20,91,116
Trade payables	28,04,90,000	28,04,90,000	-	-	28,04,90,000
Other financial liabilities	3,64,21,771	3,64,21,771	-	-	3,64,21,771
<b>Total financial liabilities</b>	<b>69,90,02,887</b>	<b>69,90,02,887</b>	<b>-</b>	<b>-</b>	<b>69,90,02,887</b>



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**53 Fair Value of Financial Assets & Liabilities**

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
<b>A Financial Assets</b>				
<b>(i) At fair value through Profit &amp; Loss</b>				
Investments				
a) IDBI Shares	1,11,024	1,11,024	55,584	55,584
b) Trade Receivables	33,50,09,589	33,50,09,589	43,88,92,414	43,88,92,414
<b>Total</b>	<b>33,51,20,613</b>	<b>33,51,20,613</b>	<b>43,89,47,998</b>	<b>43,89,47,998</b>

**Fair Valuation Techniques**

1. Fair Value of Investments in quotes shares are based on the quoted market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected losses of these receivables.

**54 Other Comprehensive Income (OCI )**

The disaggregation of changes to OCI by each type of reserves in equity is shown below

**Retained Earnings**

	As at March 31, 2021	As at March 31, 2020
Remeasurement gains/(Losses) on defined benefit plans	74,525	18,36,214
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	(18,758)	(4,62,175)
Impact on account of Transfer from Deferred Revenue relating to Fully convertible debentures	-	-
	<b>55,767</b>	<b>13,74,039</b>

**55 Share-based payments**

**Description of share based payments arrangements**

The Company instituted the Employee Stock Option Plan – ESOP 2011 to grant equity based incentives to its eligible employees in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP-2011 ("The Scheme") had been approved by the Board of Directors of the Company at their meeting held on 30th Sept, 2011 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on 2nd Sept 2011, to grant 9,60,000 options, representing one share at par for each option upon exercise by the employee of the Company determined by the Board/Compensation Committee. The Scheme covers grant of options to the specified permanent eligible employees of the Company and during the year ended 31 January, 2013, the Company granted initial stock options to certain employees of the Company.

**A. Suditi Employee Stock Option Plan 2011 (SUDITI ESOP 2011)**

Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company in the year January 2013. Further the Company has also granted another 124605 options to the eligible Employees in 15th February 2017. The Company has the following share-based payment arrangements for employees.

**Movements during the year**

There are no options pending for vesting or options pending for exercise. Accordingly, there are no shares issued on account of exercise of any options granted.

The following table illustrates the number and fair price of, and changes in, share options during the year. Excise price is fixed at face value of ₹10/- each.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

	31-Mar-21				31-Mar-20			
	Grant of Options		Grant of Options		Grant of Options		Grant of Options	
	I		II		I		II	
	Number	Fair price	Number	Fair price	Number	Fair price	Number	Fair price
Outstanding at the beginning of the year	-	-	-	-	9600	-	-	-
Options exercised during the year	-	-	-	-	9600	-	-	-
Expired/lapsed during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	-	-	-	-	-	-	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-	-

**No further vesting or granting has taken place during the year.**

The fair values of options granted under the plan were determined using Black-Scholes pricing module that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

Particulars	31-Mar-21		31-Mar-20	
	Options vested	Options vested and unexercised	Options vested and exercised	Options to be vested
Number of options	-	-	9,600	0
Fair value on grant date (₹)	-	-	Nil	First grant ₹7.68 Second grant ₹60.46
Share price at grant date (₹)	-	-	Nil	First grant ₹7.68 Second grant ₹68.40
Fair value at exercise date (₹)	-	-	Nil	Nil
Exercise price (₹)	-	-	10	-
Expected volatility	NA	NA	NA	NA
Expected life	NA	NA	NA	NA
Expected dividends	NA	NA	NA	NA
Risk-free interest rate (based on government bonds)	NA	NA	NA	NA

Note: In the case of First grant since the market price was lower than the Exercise price (face value), fair value calculations on grant date are not separately computed.

#### **Particulars of Scheme**

**Name of scheme** Suditi Employee Stock Option Plan 2011

**Vesting conditions** First grant of 350800 options made on 31/01/2013 and the second grant of 124605 options made on 15/02/2017. The schedule of the vesting is as follows:

#### **Graded vesting schedule**

	Percentage of options granted	
	Grant of Options	
	I	II
1st Anniversary of the Grant Date	10%	100%
2nd Anniversary of the Grant Date	15%	N.A.
3rd Anniversary of the Grant Date	20%	N.A.
4th Anniversary of the Grant Date	25%	N.A.
5th Anniversary of the Grant Date	30%	N.A.

**Exercise period** Stock options can be exercised within a period of 5 years from the date of vesting.

**Number of share options** -

**Exercise price** 10

**Method of settlement** Equity

**Fair value on the grant date** First grant 7.68  
Second grant 60.46

**Remaining life as on 31 March 2021** NA

**Remaining life as on 31 March 2020** NA

**Details of share options exercised during the year: NIL**



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

	Unit	For the year ended		For the year ended	
		31st March, 2021		31st March, 2020	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
<b>56 Cost of Material Consumed</b>					
Chemicals			1,88,67,446		4,07,02,344
Dyes			1,08,62,683		2,44,21,062
Yarn & Fabric	Kgs	6,31,415	30,56,57,689	8,85,885	43,81,53,345
	Pcs	80,159	24,63,886	7,638	80,51,227
Garment	Pcs	52,436	1,58,90,578	66,509	3,68,24,134
Other Raw Materials			2,40,75,511		9,42,84,325
Stores & Spares			2,09,43,655		2,24,72,844
Packing Materials			38,27,452		61,60,837
			<b>40,25,88,900</b>		<b>67,10,70,118</b>
			<b>For the year ended</b>		<b>For the year ended</b>
			<b>31st March, 2021</b>		<b>31st March, 2020</b>
			<b>%</b>		<b>%</b>
			<b>Amount in Rs.</b>		<b>Amount in Rs.</b>
Imported		0.22	8,94,177	0.16	10,64,006
Indigenous		99.78	40,16,94,723	99.84	67,00,06,112
		<b>100.00</b>	<b>40,25,88,900</b>	<b>100.00</b>	<b>67,10,70,118</b>

Notes:

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

	Unit	As at		As at	
		01st April, 2020		01st April, 2019	
		Quantity	Amount in Rs.	Quantity	Amount in Rs.
<b>57 Opening Stock</b>					
1. Yarn	Kgs	1,32,533	3,07,41,331	43,633	1,01,56,139
2. Grey fabric	Kgs	13,957	29,06,337	14,656	35,52,117
3. Chemicals			25,06,434		16,15,699
4. Stores, Spares & Other items			66,49,744		47,50,825
5. Packing Materials			7,95,465		8,37,056
6. Dyes			28,44,857		18,05,485
7. Stock in trade	Kgs	-	-	-	-
	Pcs	-	-	-	-
8. Work in Progress	Kgs	21,730	81,21,329	37,321	1,34,30,086
	Pcs	52,443	32,65,769	4,75,339	42,52,277
9. Finished Goods					
Finished Fabric	Kgs	1,00,018	3,18,02,732	1,89,943	6,93,46,181
Finished Garments	Pcs	3,34,73,430	32,44,35,957	4,24,359	24,10,59,370
			<b>41,40,69,955</b>		<b>35,08,05,235</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

		As at 31st March, 2021		As at 31st March, 2020		
		Quantity	Amount in Rs.	Quantity	Amount in Rs.	
<b>58 Closing Stock</b>						
1. Yarn	Kgs	28,069	64,10,346	1,32,533	3,07,41,331	
2. Grey fabric	Kgs	6,396	16,42,260	13,957	29,06,337	
3. Chemicals			21,50,316		25,06,434	
4. Stores, Spares & Other items			76,90,677		66,49,744	
5. Packing Materials			9,10,924		7,95,465	
6. Dyes			13,27,548		28,44,857	
7. Stock in trade	Kgs	-	-	-	-	
	Pcs	-	-	-	-	
8. Work in Progress	Kgs	12,121	42,63,261	21,730	81,21,329	
	Pcs	49,971	4,28,170	52,443	32,65,769	
9. Finished Goods						
Finished Fabric	Kgs	40,540	1,20,59,913	1,00,018	3,18,02,732	
Finished Garments	Pcs	5,90,636	35,65,83,969	3,34,73,430	32,44,35,957	
			<b>39,34,67,383</b>		<b>41,40,69,955</b>	
			<b>For the year ended 31st March, 2021</b>		<b>For the year ended 31st March, 2020</b>	
			<b>Quantity</b>	<b>Amount in Rs.</b>	<b>Quantity</b>	<b>Amount in Rs.</b>
<b>59 Sales</b>						
1. Processed Fabric	Kgs	14,21,769	34,06,12,766	30,99,735	70,07,50,878	
	Pcs	-	-	3,736	1,42,62,495	
2. Ready Made Garments	Pcs	7,07,503	16,37,51,122	9,99,859	24,13,68,587	
3. Garments & Apparels (Suditi Design & Suditi Sports)	Pcs	16,708	88,71,264	3,27,75,338	3,27,75,338	
4. Trading Sales - Fabric & Others	Mtrs	-	-	-	-	
			<b>51,32,35,152</b>		<b>98,91,57,298</b>	
<b>Note: Sales figures are in gross inclusive of Intercompany Sales.</b>						
<b>60 Purchases of Stock-in-Trade</b>						
1. Purchases - Fabric & Others	Mtrs	-	-	-	-	
<b>61 CIF Value of Imports</b>						
Components and Spare Parts			8,94,177		10,64,006	
Capital Goods			43,19,800		-	
			<b>For the year ended 31st March, 2021</b>		<b>For the year ended 31st March, 2020</b>	
			<b>Quantity</b>	<b>Amount in Rs.</b>	<b>Quantity</b>	<b>Amount in Rs.</b>
<b>62 Expenditure in Foreign Currency</b>						
Travelling			-		3,36,700	
Others			-		-	
<b>63 Earnings in Foreign Exchange</b>						
FOB Value of Exports			-		-	
<b>64 Forward Contracts and Unhedged Foreign Currency Outstanding Balances</b>						
The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2021 are as under:						



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

- (a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Amount in Foreign Currency	Amount in Rupees	Foreign Currency	Amount in Amount in Rupees
Receivables				
US Dollar	-	-	-	-
Payables #	-	-	-	-

# There is no amount payable in foreign currency outstanding as on 31st March, 2021.

**65 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.

The company has classified various employee benefits as under:

**(A) Defined Contribution Plans**

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

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amount in Rs.	Amount in Rs.
(i) Contribution to Provident Fund	10,98,221	22,46,629
(ii) Contribution to Employees' State Insurance Scheme	2,10,478	5,99,729

**(B) Defined Benefit Plan**

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	6.44%	6.44%	6.65%	6.65%
(b) Salary Increase Rate	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%







**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**66 Related Party Disclosures**

The Disclosures of Transaction with the related parties as defined in the Accounting Standard are as follows:

**Name of Related Parties & their Relationship**

**1 Key Management Personnel**

- a. Mr. Pawan Agarwal - Chairman
- a1. Relatives of Key Management Personnel:
  - 1. Mr. Rajendra Agarwal (Brother)
  - 2. Mrs. Pramila Agarwal (Sister-in-law of Pawan Agarwal)
  - 3. Mrs. Shalini Agarwal (Wife of Pawan Agarwal)
  - 4. Mrs. Archana Agarwal (Wife of Rajendra Agarwal)
  - 5. Mr. Harsh Agarwal (Son of Pawan Agarwal)
  - 6. Mr. Tanay Agarwal (Son of Pawan Agarwal)
  - 7. Mr. Tanuj Agarwal (Son of Pawan Agarwal)
- a2. Enterprises under Common control of the Promoters
  - 1. 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 Sports Apparels Ltd.
  - 7. SAA & Suditi Retail Pvt. Ltd.
- b. Mr. Rajagopal Raja Chinraj - Wholetime Director
- b1. Relatives of Key Management Personnel:
  - 1. Mrs. Anita Chinraj (Wife of Rajagopal Raja Chinraj)
- b2. Enterprises under Common control of the Wholetime Director
  - 1. Chendur Dress Manufacturers Pvt. Ltd.
  - 2. Chendur Enterprises
  - 3. Chendur Inc.
  - 4. Ve Laxmi Exim LLP

**2 Terms and conditions of transactions with related parties**

The sales to and purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**3 Disclosure of transactions between the company and related parties**

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
a) Key Management Personnel - Remuneration		
1 Shri Rajagopal Raja Chinraj	1610000	1977213
2 Shri H. Gopalkrishnan	917743	1417868
	<b>25,27,743</b>	<b>33,95,081</b>

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

#### b) Transactions with related parties:

##### Suditi Industries Limited

	Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2021	For year ended March 2020	For year ended March 2021	For year ended March 2020	For year ended March 2021	For year ended March 2020
<b>a) Sale of Goods/Related Services</b>						
1 Intime Knits Pvt. Ltd.					15215891	25650063
2 BLR Knits Pvt. Ltd.					-	-
3 Suditi Design Studio Ltd.*						
4 Suditi Sports Apparel Limited						
5 SAA & Suditi Retail Pvt. Ltd.	1736763	13736221				
6 Black Gold Leasing Pvt. Ltd.					4775773	-
7 Chendur Dress Manufacturers Pvt. Ltd.					6344765	13459624
<b>b) Purchase of Goods</b>						
1 Intime Knits Pvt. Ltd.					260097	-
2 Suditi Design Studio Ltd.						
3 Suditi Sports Apparel Limited						
4 R. Piyarellal Pvt. Ltd.					-	-
5 Chendur Dress Manufacturers Pvt. Ltd.					-	1838976
6 SAA & Suditi Retail Pvt. Ltd.	3168815	135946				
7 Black Gold Leasing Pvt. Ltd.					2928295	-
<b>c) Payment for Services Received</b>						
1 Black Gold Leasing Pvt. Ltd.					15700401	13667523
2 R. Piyarellal Pvt. Ltd.					1003691	2181621
3 BLR Knits Pvt. Ltd.					205941	-
4 Chendur Dress Manufacturers Pvt. Ltd.					1452543	3569520
5 Chendur Enterprises					453252	602617
6 Chendur Inc.					498879	595494
7 Ve Laxmi Exim LLP					663000	777600
8 SAA & Suditi Retail Pvt. Ltd.	-	149337				
9 Suditi Design Studio Ltd.						
10 Mr. Harsh Pawan Agarwal			1500000	1815109		
<b>d) Balance Outstanding as at the year end</b>						
1 BLR Knits Pvt. Ltd. (Receivable)					-	-
2 Intime Knits Pvt. Ltd. (Net Receivable)					-	-
3 Intime Knits Pvt. Ltd. (Net Payable)					40080408	32009457
4 Black Gold Leasing Pvt. Ltd. (Deposits Receivable)					30381466	30381466
5 Black Gold Leasing Pvt. Ltd. (Payable)					30833403	-
6 Black Gold Leasing Pvt. Ltd. (Receivable)					4775773	13175066
7 R. Piyarellal Pvt. Ltd. (Payable)					4603733	3600411
8 Suditi Design Studio Ltd. (Receivable)						
9 Suditi Sports Apparel Ltd. (Receivable)						
10 SAA & Suditi Retail Pvt. Ltd. (Receivable)	58575131	32486106				
11 Chendur Dress Manufacturers Pvt. Ltd. (Receivable)					5318903	6131538
12 Chendur Dress Manufacturers Pvt. Ltd. (Payable)					814342	2381818
13 Chendur Enterprises (Payable)					151424	149884
14 Chendur Inc. (Payable)					199833	148028
15 Ve Laxmi Exim LLP (Payable)					265200	194400

\* The figures are re-grouped / re-arranged and re-classified wherever necessary.



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

**Related parties of Subsidiaries**

**Suditi Design Studio Ltd.**

Description	Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021
<b>a) Sale of Goods/Related Services</b>						
1 Intime Knits Pvt. Ltd.					-	-
2 SAA & Suditi Retail Pvt. Ltd.					-	-
<b>b) Purchase of Goods</b>						
1 SAA & Suditi Retail Pvt. Ltd.					3349243	-
<b>c) Payment for Services Received</b>						
1 Intime Knits Pvt. Ltd.					-	-
2 R. Piyarellal Pvt. Ltd.					-	-
3 SAA & Suditi Retail Pvt. Ltd.					-	-
<b>d) Balance Outstanding as at the year end</b>						
1 Intime Knits Pvt. Ltd. (Net Payable)					12740859	24775860
2 Black Gold Leasing Pvt. Ltd. (Payable)					-	12435463
3 R. Piyarellal Pvt. Ltd. (Payable)					2346557	22200000
4 SAA & Suditi Retail Pvt. Ltd. (Payable)					3888286	601271

**Suditi Sports Apparel Ltd.**

Description	Joint Ventures		Relatives of KMPs		Entities in which a director or his/her relative is a member or director	
	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021	For year ended March 2021
<b>a) Sale of Goods/Related Services</b>						
		NIL				
<b>b) Purchase of Goods</b>						
1 Black Gold Leasing Pvt. Ltd.					4106634	-
		NIL				
<b>c) Payment for Services Received</b>						
		NIL				
<b>d) Balance Outstanding as at the year end</b>						
1 Black Gold Leasing Pvt. Ltd. (Payable)					4946634	840000
2 SAA & Suditi Retail Pvt. Ltd. (Receivable)					92000	-
3 Intime Knits Pvt. Ltd. (Net Payable)					675000	-

**67 Leases**

(I) Disclosures for Finance Leases

The company has not entered into any finance lease arrangement during the year.

(II) Disclosures for Operating Leases

Disclosures in respect of Premises taken on lease.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	30,33,663	38,23,214
(b) Significant leasing arrangements		
The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
i) Terms of Leases (Renewal of lease terms after first 3 years)	3 - 9 year	3 - 9 year
ii) Incremental / Escalation rate after every 3 years term	12% - 15%	12% - 15%
ii) Terms of cancellation (By issuing notice varying from 1-3 months subject to locking period or on expiry of the term of agreement)		
(c) Future minimum lease payments under non cancellable agreements		
(i) Not later than one year	-	-
(ii) Later than one year and not later than five years	-	-
(iii) Later than five years	-	-
	-	-

During the year 2019-20, the company had terminated the agreement with the associate company in respect of availing the space provided by the associate company in their premises because of compliance and other regulatory requirements. Accordingly the company had reversed the lease charges amortized in the books and the corresponding liability on account of obligation to make the payments over a lease period in the previous year.

#### 68 Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit for the year (Amt. in Rs.)	(22,82,45,877)	(2,24,92,112)
Weighted average number of Shares for Basic Earnings per Share	1,75,54,123	1,75,54,123
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-	-
Add: Effect of Dilutive Fully Convertible Debentures	-	-
Weighted average number of Shares for Diluted Earnings per Share	1,75,54,123	1,75,54,123
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	(13.00)	(1.28)s
Diluted	(13.00)	(1.28)



**Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021**

	As at 31st March, 2021		As at 31st March, 2020	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
<b>69</b> Contingent Liabilities				
(a) Claims against the company not acknowledged as debts				
(i) Sales tax/ CST / VAT matters	4,59,75,503		4,59,75,503	
(ii) Excise matters	32,08,919		30,83,919	
(iii) Income tax matters	-		-	
		4,91,84,422		4,90,59,422

**Note:**

- (i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.
- (ii) The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.

**Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

**70 Segment Reporting**

The business activities of the Company predominantly fall within a single reportable business segment i.e. manufacture and sale of hosiery fabrics and garments in India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 on Operating Segments. The aforesaid is in line with review of operating results by the chief operating decision maker.

**71 COVID-19**

The disruptions on the global economic and business environment caused due to the COVID 19 pandemic continued to impact the business prospects adversely during the year under review also. Because of the surge in the pandemic due to second wave there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2021 in the best possible manner.

The resultant impact of any event and development occurring after the balance sheet date on the date of the financial results for the quarter and year ended 31st March, 2021 may differ from that estimated as at the date of approval of these financial results and will be recognized prospectively.

However, the impact assessment due to COVID-19 is 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.

The operations of the Company are running at suboptimal levels. The operations are expected to remain impacted until—(a) customer sentiments return to normal levels; (b) the supply chain stabilizes and (c) the consistent availability of manpower.

**72** The Company can exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as promulgated by the Taxation Laws (Amendment) Ordinance, 2019. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus sc of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2020-21 (AY 2021-22) onwards if such domestic companies adhere to certain condition and do not avail any exemptions/incentives under different provisions of income tax like Claiming a set-off of any loss carried forward or depreciation from earlier years, if such losses were incurred in respect of the aforementioned deductions. Since the Company has incurred losses the need for making any provision for Income Tax does not arise for F.Y. 2020-21.

**73** Physical verification of inventory was conducted by the Internal Auditor (an external Chartered Accountant firm appointed by the company) periodically. However during the year due to pandemic conditions, inventory verification was carried out in phases over a period of time. Each item was physically examined in the presence of the company's team and any difference or variations are settled on the spot. Only unresolved items are listed out and discussed separately with the Chief Executive Officer of the company. The report is made accordingly and presented before the Audit committee and also reported to the board if found to be in reason.

**74** Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the amount so provided is found to be adequate and in line with the requirement of the company.

## Thirtieth Annual Report 2020 - 2021

### Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2021

- 75** The subsidiary company, M/s. Suditi Sports Apparel Limited, has commenced the business activities. The company uses the existing online facility set up by the holding company and its other subsidiary to start the operations and the company has earmarked the garment and apparel business exclusively related to the sport and other sports related activities as the core business. The company has executed various licentiate agreements with renowned sports clubs and entities with a view to start the production and sales of apparels and garments of various designs and styles. However In view of the COVID 19 pandemic the company is not able to expand the business volume as the retails shops and malls are still functioning partially. However considering the projections based on the future prospects the management consider it appropriate at this juncture to maintain the company as a going concern and do not consider any need to value the company for making necessary provisions to account for the impairment in the value of the investments.
- 76** The other subsidiary M/s. Suditi Design Studio Limited even though has commenced the business in full swing from 2015-16 itself, the company is not able to record adequate sales business due to the effect COVID 19 pandemic. The net worth of the company is completely eroded due to the loss in the Retail business activities. However the Management has decided to defer the decision to make any provisions to account for the impairment in the value of the investments because of the following reasons. A) The company being a new entrant in the retail sector needs at least minimum of 3 to 4 years to stabilize the position in the market. B) The company in spite of incurring losses in the Retail business has successfully established its brand name in the market for its products. C) The Holding company and the promoters group are extending strong support in all the spheres of activities apart from financial and marketing support. D) The company cannot consider the present situation to assess the viability of the company as the world itself is passing through severe Crisis due to Covid 19 Pandemic and the business conditions are at lowest level throughout the country. E) Since the brand name commands good customer response and the projections for the years in the post COVID period are looking optimistic. Accordingly the management has considered it appropriate to treat the company as a going concern. 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. During the year under review the management has accounted for all the discounts other than trade concessions given to the customer in the earlier years which were not considered in the respective years due to the pending negotiations and final settlement of the related issues.
- 77** The joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. has prepared the financial results on a going concern basis as the brand is very vibrant supported by the company promoted by the celebrity actresses Ms. Anushka Sharma and her family and also M/s. Suditi Industries Limited an established quality fabric and garment manufacturer. Hence the present conditions are temporary in nature and the management is confident of turning the corner barring any unforeseen situations and also an early reprieve from the pandemic crisis. During the year under review the management has accounted for all the discounts other than trade concessions given to the customer in the earlier years which were not considered in the respective years due to the pending negotiations and final settlement of the related issues.
- 78 Events after the reporting date**  
No adjusting or significant non-adjusting events have occurred between the reporting date (31st March, 2021) and the report release date (27th August, 2021).
- 79** The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 79

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date attached

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

**Siddharth Punamiya**  
Partner  
(Membership No.148540)  
Mumbai, 27th August, 2021

For and on behalf of the Board of Directors

<b>Pawan Agarwal</b> Chairman DIN: 00808731	<b>Vivek Gangwal</b> Director DIN: 01079807
<b>Rajagopal Raja Chinraj</b> Executive Director & CEO DIN: 00158832	<b>Sanjula Sanghai</b> Director DIN: 00049344
<b>H.Gopalkrishnan</b> Company Secretary Mumbai, 27th August, 2021	



**Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures.**

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
	2	3	4	5	6	7	8	9
<b>Parent:</b>								
Suditi Industries Limited	106.98%	41,92,31,795	(0.27%)	1,86,857	100.00%	13,74,039	(10.32%)	15,60,895
<b>Subsidiaries:</b>								
<b>Indian:</b>								
1. Suditi Sports Apparel Limited	(0.23%)	-9,03,822	1.45%	(10,05,563)	-	-	6.65%	(10,05,563)
2. Suditi Design Studio Limited	(4.36%)	(1,70,88,753)	22.68%	(1,56,75,382)	-	-	103.67%	(1,56,75,382)
<b>Foreign:</b>								
Minority Interests in all subsidiaries	(0.10%)	(3,77,182)	0.55%	(3,81,286)	-	-	-	-
<b>Associates</b> (Investment as per the equity method)								
<b>Indian</b>								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
<b>Foreign:</b>								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
<b>Joint Ventures</b> (as per proportionate consolidation/investment as per the equity method)								
<b>Indian</b>								
1. SAA & Suditi Retail Pvt. Ltd.	-	-	76.31%	(5,27,54,342)	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
<b>Foreign:</b>								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Eliminations	(2.30%)	(90,00,000)	(0.72%)	5,00,000	-	-	-	-
	<b>100.00%</b>	<b>39,18,62,038</b>	<b>100.00%</b>	<b>(6,91,29,717)</b>	<b>100.00%</b>	<b>13,74,039</b>	<b>100.00%</b>	<b>(1,51,20,050)</b>



## BOOK POST



## BRANDS



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**SUDITI INDUSTRIES LTD.**

**FACTORY & ADMIN OFFICE**  
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Tel.: +91 22 67368600/10  
Email : [admin@suditi.in](mailto:admin@suditi.in) Website : [www.suditi.in](http://www.suditi.in)