



ANNUAL REPORT

2021-22

SUDIVA SPINNERS PRIVATE LIMITED



Passion for Growth with Quality



Mr. Akashay Jain Vice President of SSPL Receiving Best Employer Award 2021 from Shri Om Birla, Hon'ble speaker of parliament.

Financial Highlights

(Rs. In Crores)

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Turnover	136.81	242.85	286.57	420.00	518.18	537.34	839.24
Exports	19.87	68.67	111.95	207.00	192.86	268.46	467.65
PBIDT	22.49	34.44	36.62	52.88	55.22	78.02	184.29
PBDT	16.35	25.48	27.04	40.64	29.77	57.32	162.05
PBT	7.29	9.24	13.08	24.68	1.15	25.27	129.56
PAT	9.13	9.69	9.86	17.08	2.08	20.02	90.95
EPS Rs	6.90	7.03	7.00	10.45	1.26	12.14	55.12
Gross Fixed Assets	160.37	175.65	196.92	391.01	402.73	416.68	477.17
Net Fixed Assets	124.24	123.42	130.97	309.46	293.00	275.00	303.14
Equity Share Capital	13.79	13.79	15.14	16.50	16.50	16.50	16.50
Reserves and Surplus	24.39	34.09	47.61	68.35	70.43	90.45	181.41
Net Worth	38.18	47.85	62.69	84.82	86.91	106.95	197.91

Corporate Information

BOARD OF DIRECTORS

SHRI J.C. LADDHA

Chairman

SHRI VARUN LADDHA

Managing Director

SMT. SUNITA LADDHA

Director

SMT. TANISHA LADDHA

Director

STATUTORY AUDITORS

M/S. SSMS & Associates

(Chartered Accountants)

16, Basement, Heera Panna Market

Bhilwara 311 001

SECRETARIAL AUDITORS

Sanjay Somani & Associates

(Company Secretaries)

Bhilwara 311 001

BANKERS

Bank of Baroda

State Bank of India

Punjab National Bank

Indian Bank

Union Bank of India

Canara Bank

Export Import Bank of India

HDFC Bank

COMPANY SECRETARY

Shri Yogesh K. Singhal

COST AUDITORS

M/S. N. D. Birla & Co.

(Cost Accountant)

Ahmedabad

INTERNAL AUDITORS

M/s. A. L. Chechani & Co.

(Chartered Accountants)

Bhilwara

WORKS & REGISTERED OFFICE

91 KM Stone, NH-79,

Village - Dhunwalia

Post - Sareri,

Dist. - Bhilwara - 311024

Tele. : 01483-236888, 236516,
070739-89990, 94138 56601 (PBX)

Telefax : 0091-01483-236988

Email : info@sudivaindia.com

Website : sudivaindia.com



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Balance Sheet	00-00
Profit & Loss Statement	00-00
Cash Flow Statement	00-00
Notes to Financial Statements	00-00

New Benchmarks

Financial

162.05 Crore

PBDT Generated in FY22

183%

YoY Growth



55.12 Per share

Earnings Per share in FY22

354%

YoY Growth



184.29 Crore

EBITDA Generated in FY22

136%

YoY Growth



90.95 Crore

PAT Generated in FY22Yo

354%

Y Growth



839.24 Crore

Turnover in FY22

56%

YoY Growth



16 Year of Rich Experience

More Than 30 + Countries Exported



Our values



- Understand engage and deliver with total customer focus in all operational areas



- Ensure the best quality through latest technology well- structured and standardized work practices



- Faith in individual potential and respect for human values



- Anticipate change and encourage innovation



- Be a responsible corporate citizen and positively contribute to the society that we live in.



- | | | | |
|-------------------|----------------|-----------------|------------------------------|
| 1. Bahrain | 9. Estonia | 17. Mauritius | 25. South Korea |
| 2. Bangladesh | 10. Germany | 18. Morocco | 26. Spain |
| 3. Belgium | 11. Guatemala | 19. Netherlands | 27. Switzerland |
| 4. Canada | 12. Guimaraes | 20. Peru | 28. Taiwan |
| 5. China | 13. Hong Kong | 21. Poland | 29. Tunisia |
| 6. Colombia | 14. Italy | 22. Portugal | 30. Turkey |
| 7. Czech Republic | 15. Macau | 23. Singapore | 31. United States Of America |
| 8. Egypt | 16. Madagascar | 24. Slovenia | 32. Vietnam |



Key Highlights

839.24
Total
Turnover
(Rs. In Crore)

184.29
EBITDA
Rs.(In
Crore)

90.95
PAT
Rs.(In
Crore)

197.91
Net Worth
(Rs. In
Crore)

72336
Total
Installed
Spindles

2208
Rotors
and 24 Knitting
Machine

51072 Spindles
& 6 Knitting
Machine
Setting up New
Project
Expansion

1223
No. of
Employees



Major CSR initiatives by the company over the years



Contribution for education for specially disabled children



Cotton Development initiatives










Plantation drive



Rural development activities



Contribution for Covid relief and vaccination Drive

 <p>Best Employer 2021 Award By Employers Association of Rajasthan</p>	 <p>Social Accountability Award SA 8000:2014</p>	 <p>Inditex Approved Vendor</p>
 <p>Global Organic Textile Standard & Organic Content Standard</p>	 <p>Three Star Export</p>	 <p>Energy Economics & Ergonomics certificate by saurerschlahforst</p>
 <p>OekoTex Certified</p>	 <p>Scope Certificate Audited and found to be in conformity with the Global Recycled Standard (GRS)</p>	 <p>Manufacturing Award For Large Enterprises 2021 Category from Udaipur Chamber of Commerce</p>

Valuable Guests



Mr. Vishal Shah from Arvind Textile



Mr. Yudvendra Mathur Ex CMD Exim Bank



Mr. Guru Charan & Mr. Deval Sharma from Page Industries (Jockey India)

Valuable Bankers



Mr. Purshottam Chand GM Canara Bank



Mr. S.L. Jain Executive Director & Mr. Rajesh Malhotra CGM BOB

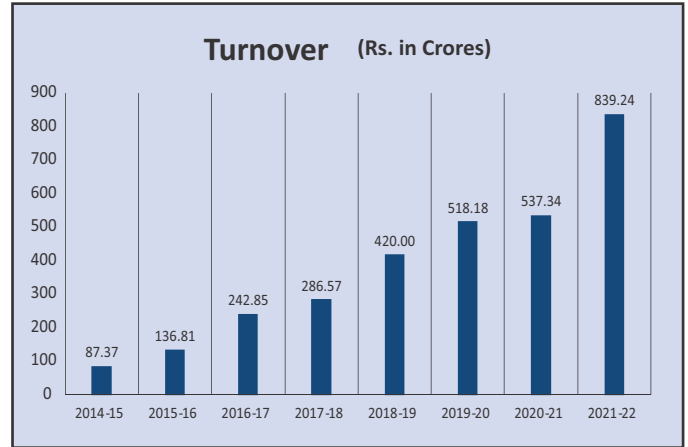
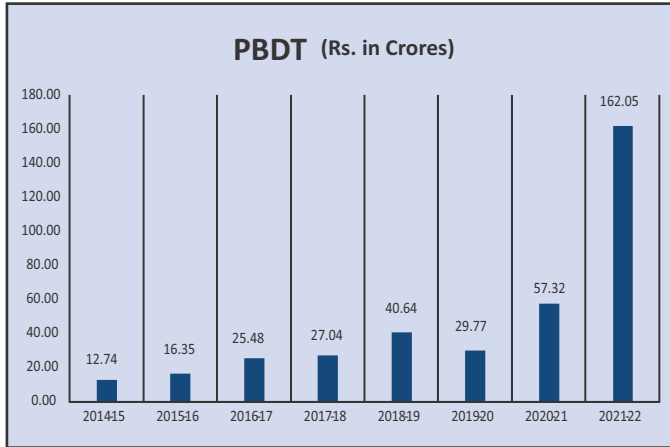


Mr. Shiva Kumar General Manager & Mr. Sanjay Lamba DGM Exim Bank

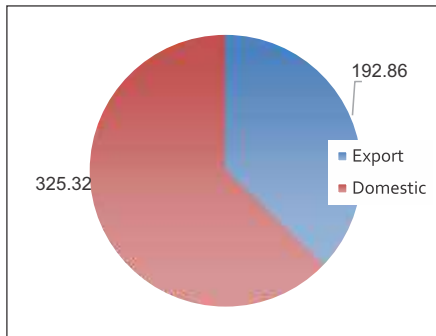


Term Lenders for our New Expansion Project

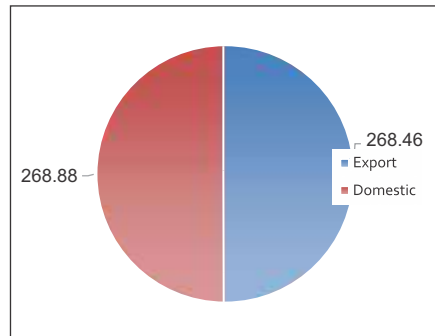
PERFORMANCE



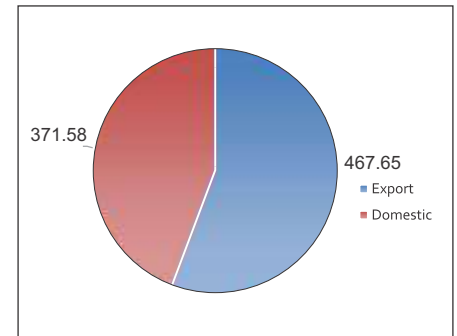
Geographical Revenue (Rs. in Crores)



■ 2019-20

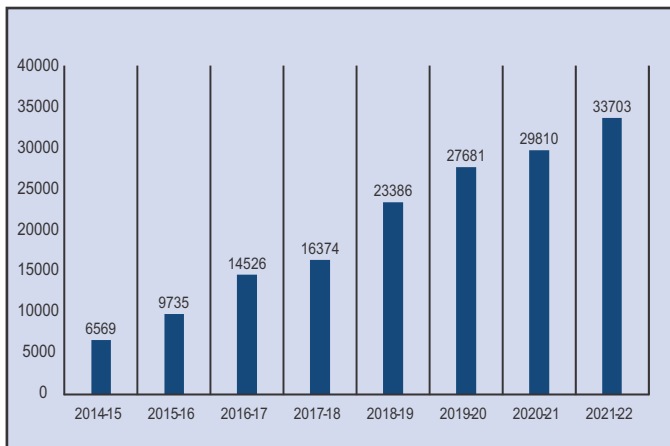


■ 2020-21

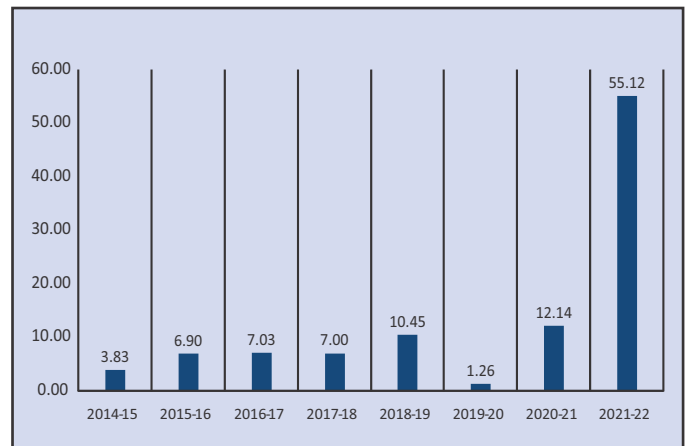


■ 2021-22

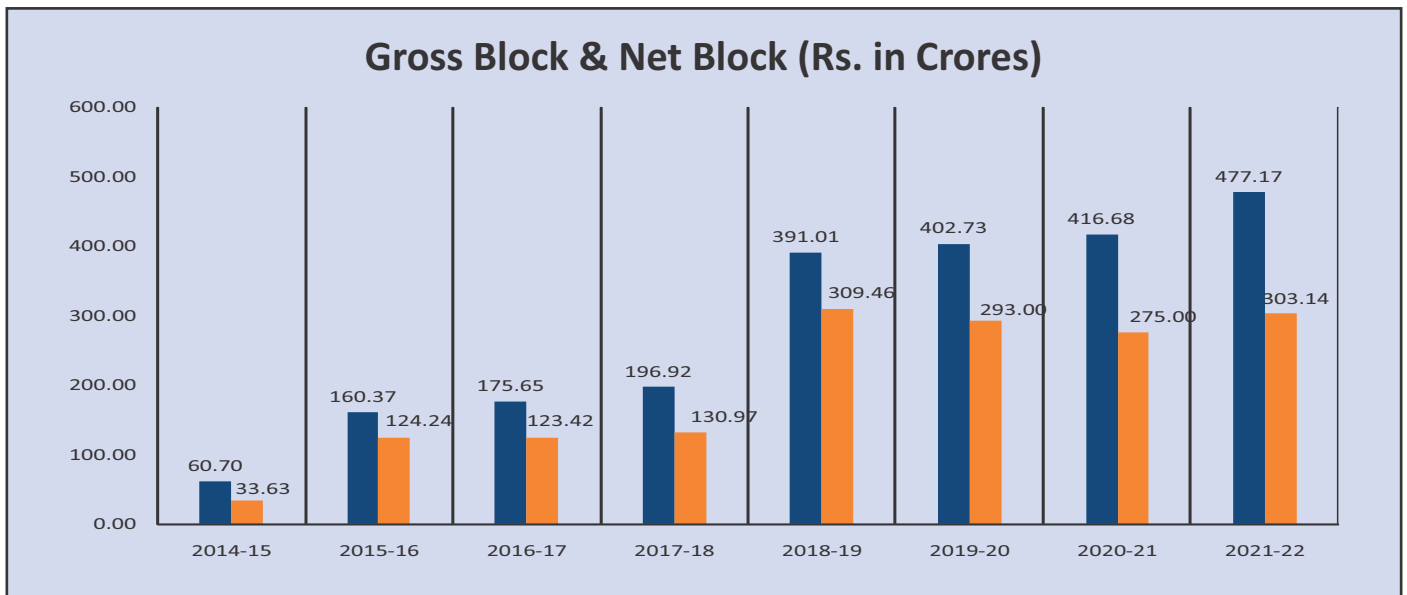
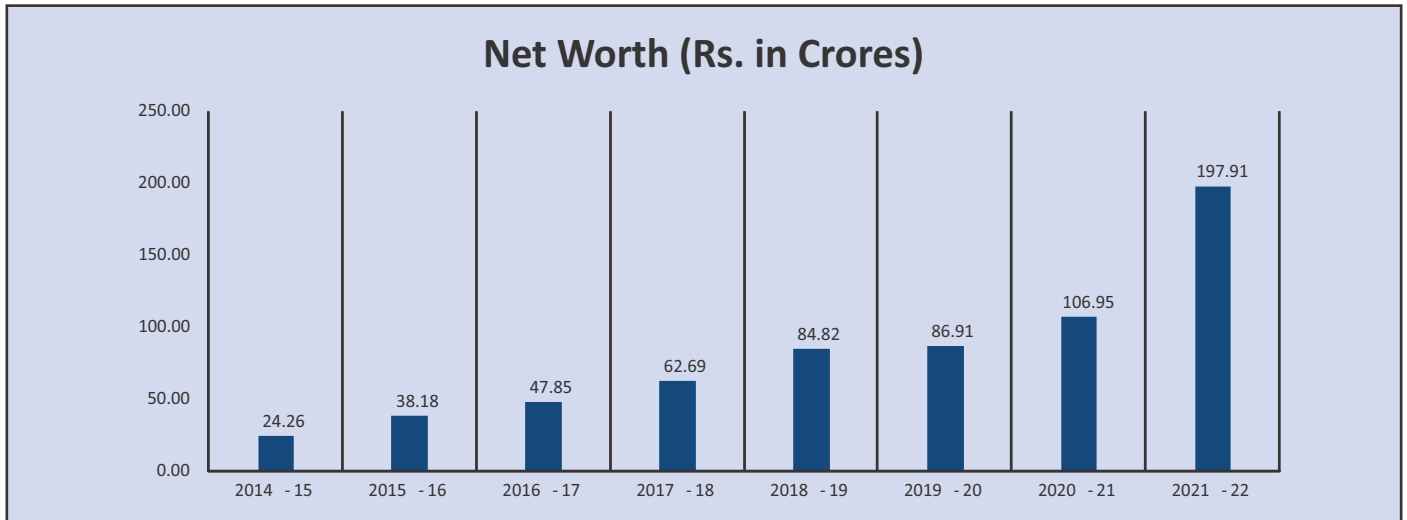
Production (In Tonnes)



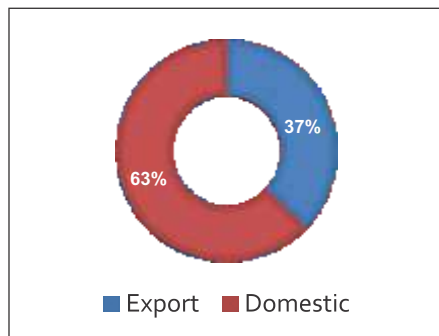
EPS (in Rs.)



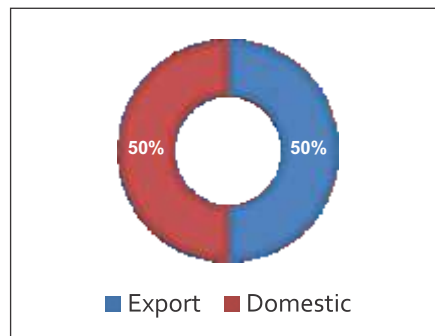
PERFORMANCE



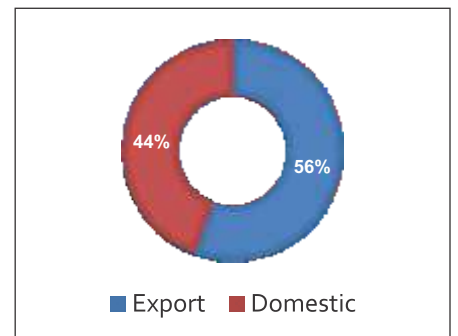
Geography Wise Revenue Contribution



SALES 2019-2020



SALES 2020-2021



SALES 2021-2022

Health and Safety



Blood Donation Camp in SSPL campus



Eye Checkup Camp in association with LIONS Club Bhilwara



Open Gym facility for Employees

Health and Safety



Yoga session for Employees



Health Checkup Camp Organized by SSPL



Safety Awareness program



Plantation programme organized by SSPL



Plantation Programme in association with HDFC Bank



Bhoomi Poojan of New Expansion Project

DIRECTORS' REPORT

To,
The Members of
Sudiva Spinners Pvt. Ltd.

Your Directors have pleasure in presenting the fifteenth Directors' Report of your Company together with the Audited Financial Statements and the Auditors' Report of your company for the financial year ended, 31st March, 2022.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Current Year (31.03.2022)	Previous Year (31.03.2021)
Revenue from Operations (Net)	83924.01	53734.43
Other Income	13.60	16.04
Total Income	83937.61	53750.47
Profit/(Loss) before Depreciation & Tax	16205.09	5731.97
Less: Depreciation	3249.01	3204.37
Profit Before Tax	12956.08	2527.60
Less: Tax		
Current Tax	2149.46	429.22
MAT Credit Entitlement	1080.83	(429.22)
Deferred Tax	630.44	524.94
Previous year Tax	-	-
Profit/(Loss) after Tax	9095.36	2002.66
Earnings per share (Rs.) :		
Basic	55.12	12.14
Diluted	55.12	12.14

OPERATIONAL PERFORMANCE

During the year under review the Company has sold 30377.60 MT (Previous year 28387.00 MT) yarn and

knitted fabric in Export and Domestic Market. Out of this, cotton yarn quantity is 24275.85 MT (Previous year 23451.21 MT); PC yarn quantity is 3514.41 MT (Previous Year 2993.48 MT) and Knitted fabric is 2587.33 MT (Previous Year 1942.31 MT). The Company has exported during the year 16829.90 MT (Previous year 14350.33 MT).

STATE OF COMPANY'S AFFAIRS / FINANCIAL PERFORMANCE

During the year under review, the Net Revenue of the Company was Rs. 83937.61 Lacs against Rs. 53750.47 Lacs in the previous year. The Company has earned a Profit after tax of Rs. 9095.36 Lacs compared to Rs. 2002.66 Lacs in the previous year.

COVID IMPACT

The outbreak of corona virus (COVID-19) pandemic globally and in India had caused significant disturbance and slowdown of economic activity. Even 2nd wave of COVID had impacted all over the economy during the 1st Qtr. of F.Y. 2021-22. But with the support of Govt. of India and RBI, whole economy of India had not only survived but performed too good in whole of the year. The F.Y. 2021-22 was very good for textile sector as well.

Company has taken into account the possible impact of COVID-19 in preparation of the audited financial results, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these audited financial results and current indicators of future economic conditions.

EXPANSION

Your Directors are pleased to inform that company is going through new expansion of 51072 ring spindles along with capacity enhancement in knitting section by installation of 6 new knitting machines. Total project cost is Rs. 279 crores which is financed by Rs. 209 crores term loans and Rs. 70 crores promotor's contribution via internal accruals.

We are happy to share that civil construction of factory building along with worker hostel, raw material godowns, roads and other civil structures are fully completed. Some finishing work is only pending which will be completed shortly. Installation

of machineries are under implementation. Trial run of machineries will be started in phased manner in last week of September, 2022. We are expecting COD of the project by mid of January, 2023 which would be far earlier than scheduled COD of 30th June, 2023 without any cost overrun.

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

For the financial year ended 31st March, 2022, the Company does not propose to carry any amount to General Reserve Account.

CAPITAL STRUCTURE

Your company's issued, subscribed and fully paid up share capital is Rs. 1650 Lacs (Face value of Rs.10/- Equity Share). During the year under review, there is no change in share capital of your company.

DIVIDEND

To conserve the resources for any future requirement and expansion, your Directors do not recommend any dividend for the year ended 31st March, 2022.

KEY MANAGERIAL PERSONNEL

Details of Key Managerial Person are as under:

Sr. No.	Name of Director	Designation	Date of Appointment
1	J. C. Laddha	Chairman	15.01.2007
2	Varun Laddha	Managing Director	15.01.2007
3	Sunita Laddha	Director	30.09.2009
4	Tanisha Laddha	Director	30.09.2009
5	Yogesh Kumar Singhal	Company Secretary	01.06.2016

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES

As on March 31, 2022, the Company does not have any subsidiary/joint venture/associate companies.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the company.

ANNUAL RETURN

Pursuant to provision of section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014, a Copy of Annual Return is available on the Website of

the Company after Conclusion of the AGM at below mentioned link:

(Link: <http://www.sudivaindia.com /Annual-return.html>)

PARTICULARS OF EMPLOYEES AND REMUNERATION

During the year under review, the Company is not having for whole year/ Part of the year, any employee who is getting remuneration as per limit prescribed in Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MEETINGS OF THE BOARD OF DIRECTORS

During the year 2021-22, the Board of Directors had met 12 times.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had 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 ended 31.03.2022 and of the profit of the company for the year ended on that date;
- The directors had 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;
- The directors had prepared the annual accounts on a going concern basis; and
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INDEPENDENT DIRECTORS

The Board of Directors of the Company hereby confirms that the company is not required to appoint

the Independent directors under section 149(6) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

STATUTORY AUDITOR AND AUDITORS' REPORT

M/s SSMS & Associates, Chartered Accountants, Bhilwara (FRN 019351C) were appointed statutory auditors for five years at the 11th AGM of company held on 29th September, 2018. Accordingly, they shall continue to be statutory Auditors for the F.Y. 2022-23.

There is no qualifications or adverse remarks in the Auditors' Report which require any clarification/explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

REPORTING OF FRAUDS BY AUDITORS

During the year under review statutory auditor has not reported any instances of fraud committed against the company under Section 143(12) of the Companies Act, 2013 by its officers or employees.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 and Notification issued by Ministry of Corporate Affairs, dated 31.12.2014, M/S N.D Birla & Co. Cost Accountant, Ahmedabad (FRN 000028) was appointed as cost auditor for Financial Year 2021-22.

The cost audit report for the financial year 2020-21 has been filed with the Ministry of Corporate Affairs.

Further, M/S N.D. Birla & Co, also Recommended to Re-appoint as Cost Auditors for the FY 2022-23.

AUDIT COMMITTEE

The Board of Directors of the company hereby confirms that the company is not required to constitute Audit Committee in accordance with the provisions of section 177 of the Companies Act, 2013.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provision of section 204(1) of

Companies Act, 2013 read with the rule 9 of Companies (Appointment and Remuneration personnel) Rules, 2014, M/s Sanjay Somani & Associates, Practicing Company Secretary, Bhilwara was appointed as Secretarial Auditor for year ended March, 2022. The Secretarial Audit Report issued in this regard is annexed as **Annexure-I**.

Auditors report do not contain any qualification, reservation or adverse remark.

AWARDS & RECOGNITIONS

During the year, your company has been conferred with following awards & recognitions:

1. **Best Employer-2021 (Large Scale Industries-Textile Group) award by Employers Association of Rajasthan.**

CORPORATE SOCIAL RESPONSIBILITY

In pursuant to Section 135 of the Companies Act, 2013 read with rules framed there under a CSR Policy to ensure Social Responsibilities has been adopted. The CSR Policy has been uploaded on the website of the Company at following link:

(Link: http://www.sudivaindia.com/policies/policies_pdf/CSR_Policy.pdf)

In view of the profits and turnover of the company, your Company was required to undertake CSR projects during the year 2021-22 under the provisions of section 135 of the Companies Act, 2013 and the rules made their under. As part of its initiatives under "Corporate Social Responsibility (CSR)", the Company has undertaken various activities, which are in accordance with CSR Policy of the Company and Schedule VII of the Companies Act, 2013. The Annual Report on CSR activities is annexed herewith as **"Annexure II"**.

The Company is continuously trying to explore new suitable projects for further spending.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted a CSR Committee in accordance with the provisions of section 135 of the Companies Act, 2013. The CSR Committee comprises the following Directors:

Sr. No.	Name of Director	Natre of Directorship	Designation in Committee
1	Mr. Jagdish Chandra Laddha	Director	Chairman
2	Mr. Varun Laddha	Managing Director	Member
3	Ms. Tanisha Laddha	Director	Member

During the financial year 2021-22, the Corporate Social Responsibility Committee met on 2 times.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company hereby confirms that the Company is not required to constitute Nomination and Remuneration Committee as per the provisions of section 178 (1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 hence other acts incidental or ancillary thereto are also not applicable on the Company.

VIGIL MECHANISM

Your Directors inform the members that company has a whistle Blower policy and has established the necessary vigil mechanism for directors and employees as per the requirement of the Companies Act. Mr. Varun Laddha, Director of the company, is nominated to play the role of Audit committee for the purpose of vigil mechanism as the company is not required to constitute audit committee.

Policy adopted by the company contains a framework whereby the identity of the complainant is not disclosed further they can directly contact to Mr. Varun Laddha for redressal of their grievances in exceptional cases.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered during the financial year, were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

None of the contract/ arrangement/transaction entered into with related parties could be considered material. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted &

disclosure in form AOC-2 is also not required.

Your Directors draw attention of the members to notes to the financial statement which sets out related party disclosures as per Accounting Standard - 18.

CONSERVATION OF ENERGY

Your company have managed the power requirement through Discom (AVVNL) and purchase of power through Energy Exchange and captive solar plants. To reduce the power cost, company has its own Rooftop Captive Solar Power Plant of 2.29 MW and Solar Power plant of 6.50 MW is installed under OPEX Model.

The information required to be disclosed pursuant to Section 134(3)(m) of the companies act, 2013 read with Rule 8 of companies (Accounts) Rules, 2014 is given in **Annexure - III** forming part of this report.

TECHNOLOGY ABSORPTION

The Company has its own well equipped quality control department which is continuously monitoring all the quality parameters required for production to give superior quality yarn which helps further to reduce the cost of processing by upgradation and modification. Company is regularly investing to upgrade its quality control department with latest available technology.

Uster Technologies AG, Switzerland has renewed its authorization to use its trade mark "Usterized". The company has also tied up for its cotton testing at global level under the program of CSITC Round trial on regular interval.

OPERATIONAL ACHIVEMENT AND EXCELLENCE

Your company as a part of its philosophy, continuously working on optimizing Productivity, Quality and Cost of production. As a part of this, your company is regularly participating in SITRA cost comparison research study and benchmarking its performance with best in the Industry.

Company is also getting diagnostic study of the operation of the plant through international agency namely "Werner International Management Consultants "and taking effective steps for achieving the excellence in Productivity, Quality and Cost.

EXPENDITURE ON R & D

During the year, company has spent Rs 2.19 Lacs (previous year Rs 0.42 Lacs) on R & D expenditure,

which is debited in Profit & Loss a/c & Capital Expenditure of Rs. NIL (previous year- 11.90 Lacs).

FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has earned during the period foreign exchange of Rs. 44009.55 Lacs (previous year Rs.22478.81 Lacs) against an outgo on CIF basis of Rs. 520.83 Lacs (previous year Rs. 435.87 Lacs).

RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework to minimize threats & losses and identify & maximize opportunities. As a formal roll-out, company has adopted Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews.

HUMAN RESOURCE DEVELOPMENT

Harmonious industrial relations continue to prevail at the company throughout the period under review, the emphasis continues on the training and development programmes at all levels. The directors hereby place on record their appreciation of valuable services rendered by all staff and work force of the company.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. No fraud has been reported by the Auditors.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the financial year 2021-22 under review, the Company has neither granted loan/s (secured or unsecured), provided guarantees or securities in connection with any loan/s availed by others nor made any investments pursuant to the provisions of Section 186 the Companies Act, 2013 read with the

Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). As such, no specific details are required to be given or provided.

COST RECORD

Our company has made & maintained the Cost record pursuant to the provision of sub-section (1) of section 148 of the Companies Act, 2013, as specified by the Central Government.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Considering gender equality, the Company has zero tolerance for sexual harassment at workplace. The Management of the Company endeavors to provide safe environment for the female employees of the Company. The Company has an Anti- Sexual Harassment Policy in line with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under. However, during the year under review, no complaints were received by the Company relating to sexual harassment at workplace.

COMPLIANCES OF SECRETARIAL STANDARDS

The Company has made all the compliance of Secretarial Standards as notified by the MCA.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE IBC 2016

During the year under review no application was made further no any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) against the company.

DIFFERENCE IN VALUATION

During the year under review there was no case of one-time settlement with financial institution so the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions are not applicable to the company.

GENERAL

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. The company does not have any subsidiaries hence the disclosure with respect to remuneration or commission received by the Managing Director / Whole-time Director(s) appointed in the Company does not arise.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful

appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

For and on behalf of the Board of Directors of
Sudiva Spinners Private Limited

(J. C. LADDHA)

(Chairman)

(DIN-00118527)

Place : Bhilwara

Date: 27.08.2022

ANNEXURE 'I'

FORM MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,

The Members,

Sudiva Spinners Private Limited

91 K.M. Stone, N.H. 79, Village -Dhunwalia
P.O. Sareri, Teh.-Hurda, Bhilwara, 311024

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **M/s Sudiva Spinners Private 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.

Based on our verification of the Company's 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, and we hereby report that in our opinion, the Company has, during the audit period for the Financial Year ended on 31st March, 2022 (1st April, 2021 to 31st March, 2022) complied with the statutory provisions, listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sudiva Spinners Private Limited("the Company") for the financial year ended on 31st March, 2022, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the

rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder are not applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder are not applicable
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. However, the provisions related to Overseas Direct Investment and External Commercial Borrowings was not applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company under the financial year under report: -
 - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
 - (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;

- (g) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
- (h) The SEBI (Buyback of Securities) Regulations, 1998

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given below:

1. The Minimum Wages Act, 1948, and rules made there under;
2. The Employees' State Insurance Act, 1948, and rules made there under;
3. The Employees' Provident Fund and Misc. Provisions Act, 1952, and rules made there under;
4. The Payment of Bonus Act, 1965, and rules made there under;
5. The Payment of Gratuity Act, 1972, and rules made there under;
6. The Factories Act, 1948 and allied State Laws;
7. The Payment of wages Act, 1936;
8. The Air (Prevention and Control of Pollution) Act, 1981;
9. The Environment (Protection) Act, 1986;
10. Equal Remuneration Act, 1976;
11. Legal Metrology Act, 2009;
12. The Water (Prevention and Control of Pollution) Act, 1974;
13. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company is having business of manufacturing of cotton yarn & blended yarn and knitted fabrics therefore, as such no specific law relating to its manufacturing and business activities are applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards

issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

WE FURTHER REPORT THAT

The Board of directors of the Company is duly constituted. There was no changes took place in the board of directors during the period under review.

Adequate notices were given to all directors and the committee members to schedule the Board and Committee Meetings and agenda were sent at least seven days in advance, 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.

All decisions at Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, 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 the compliance by the Company for the applicable taxation Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards and the annual financial statements along with notes attached therewith has not been reviewed by us, since the same have been subject to the statutory financial auditor or by other designated professionals.

We further report that during the audit period of the Company there is no change in the capital of the Company. Share Capital of the Company is as under: -

The Authorized Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- each.

The Issued, subscribed and Paid up Share Capital of the Company is Rs. 16,50,00,000 (Rupees Sixteen Crore Fifty Lakh) divided into 1,65,00,000 (One Crore Sixty Five Lakh) Equity Shares of Rs.10/- each.

We further report that during the audit period no prosecutions initiated against or show cause notice received by the Company for alleged offences under

the Companies Act, 2013 and also no fines and penalties or any other punishment imposed on the Company.

For Sanjay Somani & Associates

Sanjay Somani

Place: Bhilwara

Date: 27.08.2022

UDIN: F006958C000503201

Proprietor

M. No.: FCS6958

COP No.: 5270

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

ANNEXURE - A TO THE SECRETARIAL AUDIT REPORT

To,
The Members,

Sudiva Spinners Private Limited

91 K.M. Stone, N.H. 79, Village -Dhunwalia
P.O. Sareri, Teh.-Hurda, Bhilwara, 311024

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 processes 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 processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable accounting standards, financial records and Books of Accounts of the company as the same is subject to the statutory audit being performed by the independent auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our secretarial audit report as aforesaid and they need to take independent advice or decision as per their own satisfaction.

For Sanjay Somani & Associates

Sanjay Somani

Place: Bhilwara

Proprietor

Date: 27.08.2022

M. No.: FCS6958

UDIN: F006958C000503201

COP No.: 5270

ANNEXURE -II
**THE ANNUAL REPORT ON CSR ACTIVITIES FOR
FINANCIAL YEAR ENDED 31ST MARCH, 2022**
1. Brief outline on CSR Policy of the Company:

The CSR activities of the Company are carried out directly and also through contribution/donation made to other organisation/institution for the activities specified under Schedule VII of the Companies Act, 2013. As per CSR policy, the Company endeavours to make CSR a key business process for sustainable development and continuously enhance shareholder's wealth; it is also committed to encourage its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company's CSR Committee believes that it is important for the organization to focus on philanthropic activities in terms of animal welfare, Covid -19 -relief measures, Medical facilities, prevention from hunger & poverty, promotion of educational activities, empowering women, making available safe drinking water, setting up old age homes, environment protection, health care etc.

The Company has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same has been placed at the website of the Company

(www.sudivaindia.com/policies/Policies_pdf/CSR_Policy.pdf.)

2. Composition of CSR Committee:

S.N.	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	Mr. Jagdish Chandra Laddha	Chairman/ Director	2	2
2	Mr. Varun Laddha	Member /Managing Director	2	2
3	Mrs. Tanisha Laddha	Member /Director	2	2

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-http://www.sudivaindia.com/policies/policies_pdf/CSR_Policy.pdf

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: Not Applicable

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

S.N.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)
1	2020-21	31949	-
	Total	31949	-

6. Average net profit of the company as per section135(5)- Rs. 170843887 as per below detail:

Financial Year	Profit (in Rs.)
2020-2021	253689110
2019-2020	12036791
2018-2019	246805759
Total	512531660
Average Profit of above said Profit	170843887

7. (a) Two percent of average net profit of the company as per section135(5)-Rs. 3416878/-
 (b) Surplus arising out of the CSR projects or programmers or activities of the previous financial years.
 (c) Amount required to be set off for the financial year, if any- Nil
 (d) Total CSR obligation for the financial year(7a+7b-7c)- Rs. 3416878/-

8. (a) CSR amount spent or unspent for the financial year:
 I. Total amount to be spent for the financial year: Rs. 3416878/-
 II. Amount unspent as on 31.03.2021: Rs NIL
 III. Amount spent on CSR activities for the F.Y. 2021-22: Rs. 3440736
 IV. Manner in which the amount spent during FY 2021-22 is detailed below:
 (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S.N.	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 spend for the project (Rs. in Lacs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration No.
-----Not Applicable-----									

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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	Distt.			Name	CSR Registration No.
1	Promotion for Cultivation activities/ conservation of Soil	Environmental sustainability, protection of flora and fauna, agroforestry, conservation of soil,	Yes	Rajasthan Bhilwara & Rajsamand		102000	No	CITI CRA	CSR 00006775
2	Promotion of Education	Education	Yes	Rajasthan Bhilwara		259038	Direct	Nearby School & Hostel	N.A.
3	Covid-Related Relief-Contribution to Trust for installation of Oxygen Plant in hospital	Promoting health Care	Yes	Rajasthan Bhilwara		1000000	Direct	Bhilwara	N.A.
4	Contribution to Trust for differently abled.	Education, Health & Self Employment of differently abled.	No	Maharashtra Mumbai		900000	No	Omkar Andh Apang Samajik Sanstha	CSR 00003196
5	Contribution to Trust for empowerment of Widow	Empowerment of women	No	Rajasthan Bhilwara		200000	No	Shri Krishnadas Jajoo Samark Trust	CSR 00008190
5	Covid-Related Relief Measures /contribution	Health	Yes	Rajasthan Bhilwara		500000	Direct	District collect disaster relief Fund	N.A.
6	Covid-Related Relief- Oxygen Cylinder in Hospital and development of Muktidham	Health & reconstruction	Yes	Rajasthan Bhilwara		382250	Direct	Bhilwara	N.A.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
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	Distt.			Name	CSR Registration No.
7	Contribution to Nearby Hospital	Health	Yes	Rajasthan	Bhilwara	72448	Direct	Nearby Hospital	N.A.
8	Contribution for promotion of sports	Sports	Yes	Rajasthan	Bhilwara	25000	Direct	Bhilwara	N.A.
	Total					3440736			

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : N.A.
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : Rs. 3440736
- (g) Excess amount for set off, if any:

S.N.	Particular	Amount (Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	3416878
(ii)	Total amount spent for the Financial Year	3440736
(iii)	Excess amount spent for the financial year [(ii)-(i)]	23858
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	23858

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

S.N.	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	
							N.A.

N.A.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S.N.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed/ Ongoing

-----Not Applicable-----

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:

No Assets Created or acquired through CSR expenditure in the financial Year

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):

Not Applicable

For and on behalf of the CSR Committee

Chairman of CSR Committee

Date- 27.08.2022

ANNEXURE-III

INFORMATION PURSUANT TO COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF DIRECTORS REPORT FOR THE PERIOD ENDED 31ST MARCH-2022

A. Conservation of Energy

The Company is engaged in the continuous process of further energy conservation through improved operational and maintenance practices and undertaken effective measures to reduce energy consumption.

- (a) Under the improved operational practices, Company has reduced TM of its Compact combed yarn in RF2 section keeping quality and productivity at same level and this measure has reduced power consumption by 2% in Ring Frame mcs in RF2 section.
- (b) Replacement of old CSDX165 Compressor with Energy efficient DSD 175 SFC Compressor. The 175 SFC has IE4 Motor which is more energy efficient and also inbuilt Inverter drive on it. By installing DSD 175 SFC Compressor, company could save 111982 units yearly.
- (c) Installation of Inverters on VA Fan of Ring Frame, Carding and Preparatory Machines.

B. Utilizing alternate source of energy

- (i) The Company has installed 557 Kwh Solar Power Plant in 2021-22, enhancing its overall Solar Power Plant Capacity to 8.79 MW. The Company is generating about 20% of it's overall power requirement from Solar Power Plant.
- (ii) The Company has installed solar water heater in its Yarn conditioning machines. The Company could saved 14400 units per year by reducing load on electric heaters , using solar heater for the steam generation from conditioning plant.

C. The Company has got 24737 points of Carbon credit in the year 2021-22 from UCR under its continuous efforts to reduce Carbon generation through its Solar power plant.

D. The Capital investment on energy conservation equipment's is around 256.80 Lacs.

INDEPENDENT AUDITOR'S REPORT

To,

The Members,

SUDIVA SPINNERS PRIVATE LIMITED

Opinion

We have audited the standalone financial statements of **SUDIVA SPINNERS PRIVATE LIMITED**, which comprise the balance sheet as at 31st March 2022, and the statement of Profit and Loss, and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profits, and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and

significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure - I** a statement on the matters specified in paragraphs 3 and 4 of the 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, 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure - II**.
- (g) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Being a private limited company, provisions of sec. 197 of the Companies Act, 2013 is not applicable on the company.
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. - Refer Note 27 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv. According to management representation, information and explanation given to us and based on our examination of the records of the Company, the company has not advanced or loaned or invested any fund to or in any other person(s) or entity(ies).
- v. According to management representation, information and explanation given to us and based

on our examination of the records of the Company, the company has not received any fund from any other person(s) or entity(ies) during the year to lend or invest or provide guarantee or security to or in other persons or entities.

- vi. The company has not declared any dividend during the year.

For SSMS & Associates

Chartered Accountants

Firm's Reg No. 019351C

(Satish Somani)

Partner

Membership No. 076241

UDIN : 22076241AHGSLU8402

Place: Bhilwara

Date: 16.04.2022

ANNEXURE-I TO AUDITORS REPORT

The Annexure referred to in our report of even date to the members of Sudiva Spinners Private Limited on the accounts of the company for the year ended 31st March, 2022. We report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of Intangible Assets;
- (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals, no any material discrepancies were noticed on such verification;
- (c) The title deeds of all the Immovable properties are held in the name of the company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) As per the information given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the "Benami Transactions (Prohibition) Act, 1988.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management. No any material discrepancies were noticed on physical verification.
- (b) Quarterly returns or statements filed by the company with banks those sanctioned working capital limits to the company, are in agreement with the books of accounts of the Company.
- (iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited liability partnerships or other parties during the year.
- (iv) The company has not entered any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013.
- (v) The company has not accepted deposits or amounts which are deemed to be deposits under provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made there under.
- (vi) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
- (b) According to the records of company, particulars of statutory dues which have not been deposited on account of any dispute are as under:-

Sr. No.	Name of Statute	Nature of Due	Amount (Rs. in Lacs)	Forum where dispute is pending
1.	Finance Act, 1994 (Service Tax)	Tax	16.63	CESTAT, New Delhi

(viii) According to the information and explanations given to us, the company has not surrendered or disclosed any transaction not recorded in books of account as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us, during the year the company has obtained GECL & other working capital loans for the purpose of working capital and are applied for the purpose for which the same were obtained.

(d) According to the information and explanations given to us, the company has not utilized any short term fund for long term purposes.

(e) The Company does not have any subsidiaries, associates or joint ventures, hence para (e) and (f) is not applicable to the company.

(x) (a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) In our opinion and according to the information and explanations given to us, there is no fraud by the company or any fraud on the Company has been noticed or reported during the year.

(b) There is no case, hence no report under sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014.

(c) According to information and explanations given to us, no whistleblower complaints are received during the year.

(xii) The company does not fall under the category of Nidhi Company, hence provisions specified in Nidhi Rules, 2014 are not applicable to the company.

(xiii) The company has complied the provision of sections 177 and 188 of Companies Act 2013 on all transactions with the related parties and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) The company has an internal audit system commensurate with size and nature of its business in accordance with section 138 of Companies Act, 2013.

(b) We have considered the reports of the Internal Auditors issued for the period under audit.

(xv) In our opinion and according to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him covered under the provisions of section 192 of Companies Act, 2013.

- (xvi) (a) The Company has not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, hence para (c) and (d) is not applicable to the company.
- (xvii) The Company has neither incurred cash loss in current financial year nor in the immediately preceding financial year.
- (xviii) We are the continuing auditor of the company from previous financial year, hence there is no resignation of the statutory auditors during the year.
- (xix) In our opinion, on the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) The company does not have any unspent amount to transfer to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act.
- (b) The company does not have any ongoing project as specified in sub-section (5) of section 135 of the said Act.
- (xxi) The company does not have consolidated financial statements, hence this para is not applicable to the company.

For SSMS & Associates

Chartered Accountants

Firm Reg. No.019351C

Place: Bhilwara

Date: 16.04.2022

(Satish Somani)

(Partner)

M. No. 076241

UDIN : 22076241AHGSLU8402

ANNEXURE II TO AUDITOR'S REPORT

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

Opinion

We have audited the internal financial controls over financial reporting of **Sudiva Spinners Private Limited**, Bhilwara ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the 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.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the

Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of

financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and the receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised 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 over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For SSMS & Associates

Chartered Accountants

Firm Reg. No. 019351C

Place: Bhilwara

Date: 16.04.2022

(Satish Somani)

Partner

M.No. 076241

UDIN : 22076241AHGSLU8402

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at March 31, 2022 (Rs. in Lacs)	As at March 31, 2021 (Rs. in Lacs)
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	1650.00	1650.00
(b) Reserves and Surplus	3	18141.26	9045.91
		19791.26	10695.91
2. Non-Current Liabilities			
(a) Long-term Borrowings	4	24119.80	24285.40
(b) Deferred Tax Liabilities (Net)	5	2138.92	1508.48
		26258.72	25793.88
3. Current Liabilities			
(a) Short-term Borrowings	6	13000.13	9203.03
(b) Trade Payables	7	954.72	685.73
(c) Other Current Liabilities	8	5683.34	5059.73
		19638.19	14948.50
TOTAL		65688.17	51438.29
II. ASSETS			
1. Non - Current Assets			
(a) Property, Plant & Equipment	9		
(i) Tangible Assets		24710.73	26534.62
(ii) Intangible Assets		578.30	721.19
(iii) Capital Work-in-Progress		5025.18	244.39
		30314.21	27500.20
(b) Long-term Loans and Advances	10	2120.53	314.32
		32434.74	27814.54
2. Current Assets			
(a) Inventories	11	15889.27	6525.06
(b) Trade Receivables	12	12621.55	10600.03
(c) Cash & Cash Equivalents	13	833.51	572.06
(d) Short-term Loans and Advances	14	3909.11	5925.40
(e) Other Current Assets	15	0.00	1.20
		33253.44	23623.72
TOTAL		65688.17	51438.29

See accompanying notes 1 to 30 forming part of financial statements

As per our attached report of even date

For SSMS & Associates

Chartered Accountants
Registration No. 019351C

(Satish Somani)

Partner

Membership No.076241

Place : Bhilwara

Date : 16.04.2022

UDIN - 2207641AHGSLU8402

For and on behalf of the Board

(J.C. Laddha)

Chairman

(DIN - 00118527)

(Varun Laddha)

Managing Director

(DIN - 01635880)

(Yogesh Kumar Singhal)

Company Secretary

(M.No. FCS 11099)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars	Note No.	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
I. Revenue from Operations	16		
Domestic		37158.64	26887.51
Export		46765.37	26846.92
Total		83924.01	53734.43
II. Other Income	17	13.60	16.04
III. Total Revenue (I+II)		83937.61	53750.47
IV. Expenses:			
Cost of Material Consumed	18	53400.76	35116.42
Change in Inventories of Finished Goods, Work-in-Progress and Stock in Trade	19	(1442.20)	897.02
Employee Benefits Expenses	20	2867.99	2081.21
Finance Costs	21	2224.42	2080.52
Depreciation and Amortization Expenses	22	3249.01	3204.37
Other Expenses	23	10681.55	7843.33
Total Expenses		70981.53	51222.87
V. Profit Before Tax (III-IV)		12956.08	2527.60
VI. Tax Expenses:			
(1) Current Tax		2149.46	429.22
(2) MAT Credit Entitlement		1080.83	(429.22)
(3) Deferred Tax		630.44	524.94
VII. Profit/(Loss) for the period (V-VI)		9095.36	2002.66
VIII. Earnings per Equity Share:	25	55.12	12.14

See accompanying notes 1 to 30 forming part of financial statements

As per our attached report of even date

For SSMS & Associates
Chartered Accountants
Registration No. 019351C

(Satish Somani)

Partner

Membership No.076241

Place : Bhilwara

Date : 16.04.2022

UDIN - 2207641AHGSLU8402

For and on behalf of the Board

(J.C.Laddha)

Chairman

(DIN - 00118527)

(Varun Laddha)

Managing Director

(DIN - 01635880)

(Yogesh Kumar Singhal)

Company Secretary

(M.No. FCS 11099)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
Cash Flow from Operating Activities		
Net profit before tax	12956.08	2527.60
Add:		
Depreciation and amortisation	3249.01	3204.37
Interest cost	2224.42	2070.32
(Profit) / Loss on sale / acquisition of fixed assets	(1.23)	9.29
(Profit) / Loss on sale of Investment	(0.80)	(2.33)
Liabilities no longer required written back	(0.11)	(2.69)
Miscellaneous expenses written off	1.20	1.20
Operating Profit before Working Capital Changes	18428.57	7807.77
Decrease/(Increase) in Inventories	(9364.21)	289.61
Decrease/(Increase) in Trade Receivables	(2021.52)	(4,776.64)
Decrease/(Increase) in Loans and Advances	970.71	(819.22)
Increase/(Decrease) in Trade Payables & Current Liabilities	1129.28	(584.98)
Cash Generated from Operation	9142.83	1916.53
Direct Taxes Paid	(2132.78)	3.33
Net cash from Operating Activities	7010.06	1919.86
Cash flow from Investing Activities		
Acquisition of Fixed Assets	(1425.76)	(1,275.80)
Capital Work in Progress including Capital Advances	(6591.48)	(137.83)
Sales of Fixed Assets including Capital Subsidy Received	43.50	0.02
Purchase of Investment in Mutual Fund	(25.00)	(10.00)
Sale of Investment in Mutual Fund	25.80	12.33
Net Cash used in Investing Activities	(7972.95)	(1,411.28)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	7249.22	7385.95
Repayment of Long Term Borrowings	(7597.56)	(2233.06)
Increase / (Decrease) in Short Term Borrowings	3797.10	(3088.47)
Interest Cost	(2224.42)	(2070.32)
Net Cash from Financing Activities	1224.34	(5.90)
Net Increase in Cash and Cash Equivalents	261.45	502.69
Opening cash and cash equivalents	572.06	69.38
Closing Cash and Cash Equivalents	833.51	572.06

As per our attached report of even date

For SSMS & Associates

Chartered Accountants

Registration No. 019351C

(Satish Somani)

Partner

Membership No.076241

Place : Bhilwara

Date : 16.04.2022

UDIN - 2207641AHGSLU8402

(J.C.Laddha)

Chairman

(DIN - 00118527)

(Varun Laddha)

Managing Director

(DIN - 01635880)

(Yogesh Kumar Singhal)

Company Secretary

(M.No. FCS 11099)

For and on behalf of the Board

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Conventions

The financial statements are prepared on historical cost convention and on the accounting principles of going concern, in accordance with Generally Accepted Accounting Principles ('GAAP'), comprising of the mandatory Accounting Standards, Guidance Notes, etc. issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 2013, on accrual basis, as adopted consistently by the company.

B. Use of Estimates

In preparation of the financial statements in conformity with Generally Accepted Accounting Principle in India, management is required to make estimates & assumptions that affects the reported amount of assets & liabilities and the disclosures of contingent liabilities as at the financial reporting date. The amount of revenue & expenditure during the reported period and that of actual results could be different from those of estimates. Any revision to such estimates is recognized in the period in which the same is determined.

C. Revenue Recognition

- a. Sales revenue is recognized when property in the goods with all significant risk and rewards as well as the effective control of goods usually associated with ownership are transferred to the buyer, at a price and includes excise duty, if any.
- b. Promotional benefits, export incentives and export growth incentives are accounted for on accrual basis when virtual certainty and their probable use within reasonable time in the normal course of business, is established.
- c. Claims and refunds due from government authorities and parties, though receivable / refundable are not recognized in the accounts, if the amount thereof is not ascertainable. These are accounted for as and when ascertained or admitted by the concerned authorities / parties in favour of the company.
- d. Claims lodged with insurance companies are recognized as Income on acceptance by the Insurance Company. The excess / shortfall of claims passed are adjusted in the year of receipt.

D. Government Grants

Government grants are recognized on the reasonable assurance of receipt. Capital Subsidy under A-TUFS is recognized on accrual basis and adjusted against respective assets while Interest subsidy under TUFS/RIPS, Electricity duty subsidy under RIPS are recognized on accrual basis and adjusted against the respective expenses.

E. Inventory Valuation

- (a) Inventories are valued at cost and net realizable value whichever is lower.
- (b) Cost is determined on weighted average method.
- (c) Cost of raw materials is net of cenvat claims, wherever applicable.
- (d) The cost of inventories comprises all cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition.

F. Property, Plant & Equipment

- a. Property, Plant & Equipment are stated at their original cost of acquisition including freight, incidental expenses and other non refundable taxes or levies related to acquisition and installation of the concerned assets, interest on borrowed funds attributable to acquisition/construction of Property, Plant & Equipment and related pre-operative and Trail run expenses up to the date of commencement of commercial production, are also capitalized wherever appropriate. Input Tax Credit availed has been deducted from the cost of respective assets.
- b. Expenditure incurred on acquisition of intangibles are accounted for as intangible assets on completion, being identifiable non-monetary assets without physical substance, at the acquisition cost, in accordance with AS-26 on intangible assets.

G. Preoperative & Trail Run Expenses

Trial run costs and other preoperative expenses incurred during construction / implementation period, including interest on borrowings (Net of subsidy) to finance qualifying assets as per AS-16, are capitalized upto the date of commissioning of the project.

H. Depreciation & Amortisation

- a. Depreciation has been provided as per straight line method at the rates and in the manner prescribed under schedule II of the companies Act, 2013 except for plant and machineries. The company has internally assessed the useful life of plant and machineries considering use of the same wherever applicable on triple shift basis, which has also been evaluated by external expert. As a result, the useful lives of the tangible assets determined are as under:

S. No.	Nature of Assets	Effective Useful Lives
1	Plant and Machineries (Open-end Division) used for triple shift	7.5 Years
2	Plant and Machineries (Ring spinning Division) used for triple shift	9.2 Years
3	Plant and Machineries used for single shift	15 Years
4	All other tangible assets	As per Companies Act, 2013

- b. Residual values of the assets are determined at the rate of 5% of original cost.
- c. Acquired intangible assets are amortized over their estimated useful life as determined by the management at following rates on straight-line basis.

Enabling Assets	-	20 Years
Computer Software	-	6 Years

I. Impairment of Property, Plant & Equipment

Impairment of assets is being measured on factors giving rise to any indication of impairment, by comparing the recoverable amount, higher of value in use and net selling price of an asset, with carrying amount of an asset as per the Accounting Standard 28 "Impairment of Assets" issued by ICAI.

J. Foreign Exchange Transaction /Translation

- a. Foreign currency transaction related to export sales is recorded at forward exchange rates.

- b. Foreign currency transactions other than export sales arising during the year are recorded at the exchange rates prevailing on the dates of transactions.
- c. Non-realized invoices are recorded as per forward exchange rates.
- d. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

K. Taxes on Income

a. Current year charge

Provision for Current Income Tax is made after considering MAT Credit Entitlement, exemptions and deductions available under the Income Tax Act, 1961.

MAT Credit Entitlements are shown as loan & advances till its adjustment against current tax liability.

b. Deferred Tax

Deferred tax is recognized, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting years' timing differences, subject to the consideration of prudence.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

L. Miscellaneous Expenditure

Expenses incurred on increase in share capital are amortised over a period of five year.

M. Provisions, Contingent Liability & Contingent Assets

- a. Provisions involving substantial degree of estimation in measurement, are recognized when the present obligation of or past events gives rise to a probable outflow embodying economic benefits on settlement and the amount of obligation can be reliably estimated.
- b. Contingent liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- c. Contingent assets are neither recognized nor disclosed in financial statements.
- d. Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

N. Earning per Share

Basic and diluted earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders, among the weighted average number of equity shares outstanding during the period.

O. Cash and Cash Equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank, Cash in hand, cheques in hand and other permissible instruments as per AS 3.

P. Employee Benefit Expenses

a. Defined Contribution Plan:

The Company makes defined contribution to Provident fund which are accounted on accrual basis.

b. Defined Benefit Plan:

The Company's Liability on account of Gratuity of employees is determined at the end of each financial year on the basis of actuarial valuation certificate obtained from Registered Actuary in accordance with the measurement procedure as per revised Accounting Standard (AS)-15 'Employee Benefits'. The liability is funded on year to year basis by contribution to respective fund. The cost of providing benefits under this plan is also determined on the basis of actuarial valuation at each year end. Actuarial gain and losses for defined benefit plan are recognized in full in the period in which they occur in Statement of Profit & Loss.

Leave Encashment liability is provided for on actual basis and encashed in next year.

Notes annexed to and forming part of the accounts
NOTE 2 : SHARE CAPITAL

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
AUTHORISED :		
20000000 Equity Share of Rs.10/- each	2000.00	2000.00
	2000.00	2000.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
16500000 Equity Share of Rs.10/- each (P.Y. 16500000 Equity Share of Rs.10 each)	1650.00	1650.00
	1650.00	1650.00

1. Shareholders holding more than 5 % of shares

Name of Share Holder	As on 31.03.2022		As on 31.03.2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
Shri J.C. Laddha	9500000	57.58%	9500000	57.58%
Shri Varun Laddha	1500000	9.09%	1500000	9.09%
Smt. Sunita Laddha	1700000	10.30%	1700000	10.30%
Elcon Finvest Enterprises Pvt.Ltd.	3293000	19.96%	3293000	19.96%
	15993000	96.93%	15993000	96.93%

2. There are no shares issued for consideration other than cash in the last 5 financial years.
3. Reconciliation of shares

	As at 31st March, 2022	As at 31st March, 2021
Shares at beginning of the year	16500000	16500000
Shares at closing of the year	16500000	16500000

4. The Company has only one class of Equity Shares having a par value of Rs.10/-, Each holder of Equity Shares is entitled to one vote per share, There are no restrictions attached to any Equity Shares. The dividend proposed, if any, by the board of directors is subject to approval of the shareholders in ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company in proportion to the number of Equity Shares held by the respective Shareholders.

NOTE 3 : RESERVES AND SURPLUS

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
(a) Securities Premium Reserve		
Opening Balance	1303.99	1303.99
Add : Received during the year	0.00	0.00
Closing at the end of year	1303.99	1303.99
(b) Surplus in Statement of Profit & Loss		
Opening Balance	7741.91	5739.25
Add : Profit for the period	9095.36	2002.66
Closing at the end of year	16837.27	7741.92
Total Reserves & Surplus	18141.26	9045.91

NOTE 4 : LONG TERM BORROWINGS

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
SECURED		
(a) Term Loans -From Banks	17120.51	17342.35
(b) ECLGS 2.0	6896.54	6813.10
Total	24017.05	24155.45
UNSECURED		
(a) Loan & Advances from Related Party	102.75	129.95
Total	102.75	129.95
Total Long Term Borrowings	24119.80	24285.40

Conditions of Term Loans from Banks are Summarised Below :

Term loans from banks are secured by first pari-passu charge by way of joint hypothecation created on all present and future movable plant & machinery of the company and is also secured by joint equitable mortgage on all immovable & movable assets of the company. The aforesaid term loans are also personally guaranteed by promoter directors of the company.

All Term loans are repayable in quarterly instalments.

Floating Rate - Carrying floating interest rate of 1Yr/ 6M MCLR + Spread (0.45% to 2.35%) as on 31.03.22 (Previous Year 1 year MCLR + Spread (0.45% to 2.65%))

ECLGS 2.0 are secured by way of extension of charge on primary & collateral securities.

Date of Maturity and Instalments due are as under :

Sr. No.	Date of Maturity	Outstanding as on 31.03.2022			Installments due after 31.03.22
		Total Outstanding	Long Term Maturity	Current Maturity	
Terms Loans from Banks :					
1	29.09.24	2155.90	1339.90	816.00	11
2	01.10.24	1542.00	1101.00	441.00	10
3	30.09.27	4780.88	3888.75	892.13	22
4	30.09.27	1567.23	1275.23	292.00	22
5	30.09.27	2194.50	1785.00	409.50	22
6	30.09.27	2429.05	1975.68	453.37	22
7	30.09.27	2429.60	1976.22	453.38	22
8	30.09.31	464.69	464.69	0.00	30
9	30.09.31	1741.21	1741.21	0.00	30
10	30.09.31	1546.00	1546.00	0.00	30
11	30.09.31	26.82	26.82	0.00	30
ECLGS 2.0 Loans from Banks :					
1	30.11.25	940.97	940.97	0.00	31
2	25.12.25	774.13	774.13	0.00	31
3	30.12.25	852.50	852.50	0.00	31
5	12.01.26	493.47	493.47	0.00	31
6	07.04.26	458.10	364.98	93.12	48
7	05.02.28	729.00	729.00	0.00	48
8	07.02.28	316.00	316.00	0.00	48
9	28.02.28	1168.00	1168.00	0.00	48
10	10.03.28	620.00	620.00	0.00	48
11	16.03.28	281.50	281.50	0.00	48
12	31.03.28	356.00	356.00	0.00	48
Total		27867.55	24017.05	3850.50	

Sr. No.	Date of Maturity	Outstanding as on 31.03.2021			Installments due after 31.03.21
		Total Outstanding	Long Term Maturity	Current Maturity	
Terms Loans from Banks :					
1	29.09.24	3269.28	2252.28	1017.00	15
2	01.10.24	2130.00	1689.00	441.00	14
3	30.09.27	5512.88	4780.88	732.00	26
4	30.09.27	1807.25	1567.00	240.25	26
5	30.09.27	2876.63	2540.63	336.00	27
6	30.09.27	2801.62	2354.06	447.56	26
7	30.09.27	2530.50	2158.50	372.00	26
ECLGS 2.0 Loans from Banks :					
1	30.11.25	1457.00	1335.58	121.42	48
2	25.12.25	1126.00	1055.62	70.38	48
3	30.12.25	1240.00	1162.50	77.50	48
4	30.12.25	2100.00	1968.75	131.25	48
5	12.01.26	700.00	670.84	29.16	48
6	25.02.26	633.00	619.81	13.19	48
Vehicle Loans from Bank :					
1	07.07.21 to 05.02.22	4.53	0.00	4.53	4 to 11
Total		28188.69	24155.45	4033.24	

NOTE 5 : DEFERRED TAX LIABILITY

Deferred tax liability has been calculated as per Accounting Standard 22 “Accounting for Taxes on Income” of ICAI. Major components are as under:

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
Deferred Tax Liability		
Depreciation	2163.28	2695.40
Income Deferred as per IT Act	0.00	405.54
Total	2163.28	3100.94
Deferred Tax Assets*		
Unabsorbed Depreciation	0.00	1564.78
Disallowance as per IT Act	24.36	27.68
Total	24.36	1592.46
Net Deferred Tax Liability	2138.92	1508.48

* Note : Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is deferred tax liabilities or there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

NOTE 6 : SHORT-TERM BORROWINGS

	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
SECURED		
(a) Loan Repayable on Demand		
From Banks	13000.13	9203.03
	13000.13	9203.03

Bank loans for working capital are secured against hypothecation of stocks of raw material, semi finished and finished goods and is also secured by second charge created in favour of the company's banker by way of joint equitable mortgage on immovable properties of the company which is ranking pari passu and also personally guaranteed by a promoter director of the company.

All loans are repayable on demand and carrying floating interest rate from 6.25 % to 8.65%. (Previous Year 7.90 % to 9.75%)

NOTE 7 : TRADE PAYABLES

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
Trade Payable-Others	954.72	685.73
	954.72	685.73

Based on the information available with the company, no balance is due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March 2022. Further during the year no interest has been paid to such parties or payable under the terms of the said Act.

NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
(a) Current Maturities of Long-Term Debt	3850.50	4033.24
(b) Interest Accrued But Not Due	45.04	106.76
(c) Security Deposits	0.00	4.16
(d) Advance From Customers	3.29	0.54
(e) Liability Towards Staff and Worker	197.19	207.97
(f) Government Dues	68.24	29.12
(g) Income Tax Payable	2.22	56.05
(h) Other Liabilities For Expenses	1516.87	621.89
	5683.34	5059.73

(Rs. in lacs)
NOTE 9 : PROPERTY, PLANT & EQUIPMENT

SR. PARTICULARS No.	GROSS BLOCK			DEPRECIATION & AMORTISATION				NET CARRYING VALUE	NET CARRYING VALUE	
	As at 31-03-2021	Additions	Deductions	As at 31-03-22	Up to 31-03-2021	Deductions	For the year (2021-22)	Total up to 31-03-22	As at 31-03-22	As at 31-03-21
1	3	4	5	(3+4-5)=6	7	8	9	(7-8+9)=10	(6-10)=11	12
A) Tangible Assets										
1 Free Hold Land	1177.15	684.15	-	1861.30	-	-	-	-	1861.30	1177.15
2 Buildings (Including Roads)	5883.18	19.61	-	5902.79	711.22	-	199.00	910.21	4992.58	5171.96
3 Plant and Machinery	31059.18	615.45	37.83	31636.81	12464.28	11.72	2785.97	15,238.53	16398.28	18594.90
4 Electric Fitting & Water Supply Instt.	1815.20	34.66	-	1849.85	558.52	-	165.06	723.57	1126.28	1256.69
5 Furniture Fixture and Other	280.67	29.91	-	310.58	83.04	-	26.62	109.66	200.92	197.64
6 Office Equipments	224.54	19.59	1.76	242.37	155.18	1.67	23.71	177.22	65.15	69.37
7 Vehicles	152.98	21.83	16.49	158.32	86.04	12.14	18.21	92.11	66.21	66.94
Total (A)	40592.89	1425.21	56.08	41962.02	14058.27	25.54	3218.57	17251.30	24710.72	26534.64
B) Intangible Assets (Acquired)										
1 AVVNL 132 KVA Line	712.45	-	101.28	611.17	33.84	4.81	29.03	58.06	553.11	678.60
2 Software Installation	118.30	0.55	-	118.85	75.72	-	17.95	93.66	25.19	42.59
Total (B)	830.75	0.55	101.28	730.02	109.56	4.81	46.98	151.72	578.29	721.19
Total (A + B)	41423.64	1425.76	157.36	42692.04	14167.82	30.35	3265.55	17403.02	25289.02	27255.83
C) Capital Work in Progress :										
1 Capital Work in Progress including P&M, Electric Installation, Water supply Etc	238.51	718.77	650.11	307.17	-	-	-	-	307.17	238.51
2 Building Under Construction	5.87	4450.04	19.61	4436.31	-	-	-	-	4436.31	5.87
3 Pre Operative Expenses	-	281.71	-	281.71	-	-	-	-	281.71	0.00
Total (C)	244.39	5450.52	669.72	5025.18	-	-	-	-	5025.18	244.39
Total(A+B+C)	41668.03	6876.28	827.08	47717.22	14167.82	30.35	3265.55	17403.02	30314.20	27500.22
Previous Year	40273.08	1922.62	527.66	41668.03	10972.82	9.38	3204.37	14167.81	27500.22	29300.26

i) Disposal from gross block represents sale/transfer/discard of property, plant & equipments.

b) Deduction in depreciation is on account of sale/transfer/discard of property, plant & equipments.

ii) No provision is required for impairment of assets according to AS-28 "Impairment of Assets" as the value in use as estimated by the management, is higher than the carrying amount of the assets as on Balance Sheet date. In order to arrive at the value in use, the company has reviewed the future earnings during remaining useful life of all its cash generating units as at the Balance Sheet date which has been discounted at the average long term lending rate of the Company.

NOTE 10 : LONG TERM LOANS & ADVANCES

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
UNSECURED, CONSIDERED GOOD		
(a) Advance Against Plant & Machinery	1810.69	0.00
(b) Security Deposits	305.23	305.23
(c) Other- Prepaid Expenses	4.61	9.08
	2120.53	314.32

NOTE 11 : INVENTORIES

(at lower of the Cost or Realisable Value - refer Accounting Policy - Note 1)

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
Raw Material		
— Polyester	337.04	177.89
— Cotton	12451.72	4762.69
— Comber	296.25	304.85
— Yarn for Knitting	12.53	23.52
Work in Prograss		
— Fibre	563.81	401.39
— Yarn	136.56	161.82
— Fabric	13.92	9.74
Finished Goods		
— Yarn	1003.12	236.80
— Knitted Fabric	499.99	29.75
Stores & Spares	464.20	370.79
Others - Waste	110.13	45.82
	15889.27	6525.06

NOTE 12 : TRADE RECEIVABLES (CURRENT)

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
(Unsecured considered good)		
Trade Receivable		
– Outstanding exceeding Six months	52.83	54.04
– Others	12602.60	10579.87
Provision for Doubtful Debts	(33.88)	(33.88)
	12621.55	10600.03

NOTE 13 : CASH AND CASH EQUIVALENTS

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
(a) Balance with bank		
— Current Accounts	569.10	311.88
(b) Cash-in-Hand	3.21	13.76
(c) Fixed Deposits With Banks	261.19	246.42
	833.51	572.06

NOTE 14 : SHORT- TERM LOANS & ADVANCES

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
Other Loans & Advances (Unsecured considered good)		
(a) Security Deposit	7.68	5.10
(b) Advance Against Supply	325.44	2268.18
(c) Prepaid Expenses	120.03	117.49
(d) Mat Credit Entitlement	0.00	924.48
(e) Income Tax Refund Receivable	45.61	272.47
(f) Advance Tax/TDS Receivable	0.00	0.00
(g) Duties, Claims and Balance with Govt. Authorities	1088.66	503.91
(h) Subsidies Receivable	1618.03	1540.52
(i) Export Incentives	577.20	115.70
(j) Others Receivable	126.45	177.56
	3909.11	5925.40

NOTE 15 : OTHER CURRENT ASSETS

	As at 31st March, 2022 (Rs. in Lacs)	As at 31 st March, 2021 (Rs. in Lacs)
(a) Misc. Expenses To Be W/off	0.00	1.20
	0.00	1.20

NOTE 16 : REVENUE FROM OPERATIONS

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
(a) Sales of Products		
<u>Manufactured Goods</u>		
DOMESTIC		
Yarn	34712.84	22837.57
Knitted Fabric	670.47	2464.67
Waste	1575.60	1424.36
TOTAL	36958.91	26726.60
EXPORT		
Yarn	36692.50	24253.69
Knitted Fabric	8013.17	2072.82
TOTAL	44705.67	26326.52
Sales	81664.58	53053.12
(b) Sale of Services		
Testing Charges	0.64	0.32
Job Charges Received	123.12	119.41
(c) Other Operating Income		
Export Incentive	2059.71	520.40
Sale of Scrap	75.96	41.18
Revenue from Operations	83924.01	53734.43

NOTE 17 : OTHER INCOME

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
(a) Misc. Receipts	–	0.38
(b) Liability no Longer Required Written Back	0.11	2.69
(c) Insurance Claim Receipt	0.39	0.44
(d) Profit on Sale of Fixed Assets	1.23	–
(e) Interest Received on Fixed Deposits	11.07	10.19
(f) Profit on Sale of Investment	0.80	2.33
	13.60	16.04

NOTE 18 : COST OF MATERIAL CONSUMED

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
Opening Stock	5268.95	4694.29
Add: Purchses	61768.43	36151.42
	67037.38	40845.71
Less: Sales, Returns and Adjustments	539.07	460.34
	66498.31	40385.37
Less: Closing Stock	13097.55	5268.95
Raw Material Consumed	53400.76	35116.42
Raw Material Consumption Under Broad Heads:		
(A) Synthetic Fibres		
Polyester	1607.21	1090.05
(B) Natural Fibre		
a) Cotton	50135.37	33113.12
b) Comber	1603.82	839.32
c) Yarn	54.36	73.93
	53400.76	35116.42

NOTE 19 : CHANGE IN INVENTORY

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
OPENING INVENTORY		
Finished Goods- Yarn	236.80	986.37
Finished Goods- Knitted Fabric	29.75	140.45
Stock in Process	572.95	575.38
Waste	45.82	80.15
	885.32	1782.34
CLOSING INVENTORY		
Finished Goods- Yarn	1003.12	236.80
Finished Goods- Knitted Fabric	499.99	29.75
Stock in Process	714.29	572.95
Waste	110.13	45.82
	2327.52	885.32
(Increase)/Decrease in Inventory	(1442.20)	897.02

NOTE 20 : EMPLOYEE BENEFITS EXPENSES

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
(a) Salaries, Wages and Bonus	2569.68	1843.65
(b) Contribution to Provident, Gratuity and Other Funds	188.33	139.87
(c) Workmen and Staff Welfare	109.99	97.69
	2867.99	2081.21

NOTE 21 : FINANCE COST

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
(a) Interest Expenses (Net)	1984.98	1862.15
(b) Other Borrowing Costs	121.64	106.91
(c) Bank Charges	117.80	111.46
	2224.42	2080.52

NOTE 22 : DEPRECIATION AND AMORTISATION EXPENSES

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
(a) Tangible Assets	3206.85	3153.08
(b) Intangible Assets	42.17	51.29
	3249.01	3204.37

NOTE 23 : OTHER EXPENSES

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
A. Manufacturing Expenses		
(a) Stores and Spare Parts Consumed	945.93	803.98
(b) Power and Fuel	4286.27	3798.97
(c) Packing Expenses	936.35	671.00
(d) Processing and Job Charges	2.19	0.42
(e) Hank Yarn Obligation	0.34	0.47
(f) Repairs to Building	95.93	30.89
(g) Repairs to Machinery	54.90	52.70
(h) Repair & Maintenance (Other)	37.54	32.61
(i) House Keeping Expenses	62.09	59.14
	6421.56	5450.18

	Year Ended 31st March, 2022 (Rs. in Lacs)	Year Ended 31st March, 2021 (Rs. in Lacs)
B. Administrative Expenses		
(a) Insurance	136.57	136.28
(b) Rates and Taxes	16.26	11.38
(c) Directors' Travelling	3.25	0.27
(d) Charity and Donations	1.63	2.90
(e) CSR Expenses	34.41	26.32
(f) Payment to Auditors		
— Audit Fees	3.50	2.00
— Reimbursement of Expenses	0.11	0.02
(g) Misc. Expenses W/off	1.20	1.20
(h) Advertisement	1.47	0.85
(i) Other Miscellaneous Expenses	194.60	173.46
	393.00	354.68
C. Selling Expenses		
(a) Commission	125.23	81.87
(b) Claims and Rebates	1.66	0.56
(c) Freight, Forwarding and Octroi	232.81	264.97
(d) Expenses on Export Sales:		
Ocean Freight	2011.90	591.60
Commission	705.61	491.96
Others	767.71	518.87
(e) Other Selling Expenses	17.21	12.97
	3862.14	1962.81
D. Other Expenses		
Loss on Sale/Discard Of Fixed Assets	0.00	9.29
Bad Debts & Provision for Doubtful Debts	4.86	66.38
	4.86	75.66
	10681.55	7843.33

24. EMPLOYMENT BENEFIT PLANS

The company has complied with Accounting Standard 15 (Revised 2005) and the required disclosure are given here under:

(a) Defined Benefit Plans - Gratuity

Particulars	As at 31st March, 2022 (Rs. in Lacs)	As at 31st March, 2021 (Rs. in Lacs)
(i) Reconciliation of opening and closing balance of defined benefit obligation		
a) At the beginning of the year	86.79	66.94
b) Interest cost	5.97	4.54
c) Current service cost	16.04	14.86
d) Benefits paid	(8.78)	(2.31)
e) Actuarial (gain)/loss on obligation	23.11	2.76
f) Defined Benefits obligations at the year end	123.13	86.79
(ii) Reconciliation of Opening and Closing Balances of Fair value of plan assets		
a) At the beginning of the year	86.79	66.94
b) Expected return on plan assets	4.51	3.83
c) Employer contributions	40.69	20.12
d) Fund Management Charges	(0.08)	(1.80)
e) Benefits paid	(8.78)	(2.30)
f) Actuarial gain/(loss) on plan assets and opening difference	-	-
g) Fair value of plan assets at the year end	123.13	86.79
(iii) Reconciliation of the present value of obligation and assets		
a) Present value of obligation as at the end of the period	123.13	86.79
b) Fair value of plan assets at the end of the period	123.13	86.79
c) Amount recognized in Balance Sheet(a-b-c)	-	-
(iv) The total Expenses recognised in the statement of profit & Loss during the year		
a) Current service cost	16.04	14.86
b) Interest cost	5.97	4.54
c) Expected return on plan assets	(4.51)	(3.39)
d) Net actuarial (gain)/ loss recognized in the period	23.19	4.10
e) Expenses recognized in the statement of profit & losses	40.69	20.12

Particulars	Policy NO	Investment with
(v) Investment Details of Plan Assets:		
Gratuity Fund Trust-1	101000476	LIC of India
Gratuity Fund Trust-1	101001548	LIC of India
(vi) There are no amount included in the fair value of plan assets for		
(a) Company's own financial instruments		
(b) Property occupied by or other assets used by the company		
(vii) Principal Actuarial Assumptions at the Balance Sheet date		

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Discount Rate	7.27 % per annum	6.88 % per annum
(ii) Expected Rate of return on plan assets	7.00 % per annum	6.76 % per annum
(iii) Future Salary Increase	5.00 % Per annum	5.00 % Per annum

The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by the actuary. The actual return on plan assets for the year and estimate of contribution for the next year as per actuarial valuation is as under:

(Rs. in Lacs)

S. No.	Particulars	Actual Return	Estimate of Contribution for next Year
a)	Gratuity	4.43	26.59

	As at 31st March, 2022	As at 31st March, 2021
(viii) Experience Adjustment:		
a) Defined Benefit Obligation	123.13	86.79
b) Plan assets	123.13	86.79
c) Surplus/(deficits)	-	-
d) Experience Adjustment on Plan Liabilities (loss)/gain	(23.87)	(2.90)
e) Experience Adjustment on Plan Assets (loss)/gain	(.07)	(1.34)

(b) Defined Contribution Plans

 Amount recognized as an expenses (Rs. in Lacs)

Particulars	2021-22	2020-21
Employers Contribution to Provident Fund	109.17	84.82

25. Earning Per Share

The basic and diluted earnings per share have been calculated as per AS-20 by dividing net profit for the year attributable to equity shareholder by the weighted average number of equity share as under:

(Rs. in Lacs)

Particulars	2021-22	2020-21
Net Profit After Tax	9095.36	2002.66
Net Profit Available to Equity Shareholders	9095.36	2002.66
Average No. of Equity Share Outstanding During The Year (Nos.)	16500000	16500000
Basic and Dilutive Earning Per Share in Rupees	55.12	12.14

26. Contingent Liabilities not provided for in respect of :
(Rs. in Lacs)

Particulars	2021-22	2020-21
Service Tax Demand	16.63	16.63
VAT Tax Demand	20.75	20.75
Letter of Credit by Banks	5399.14	263.42
Bills Discounted by Banks	2924.43	1801.24
Capital Commitments against Capex	11399.30	-
Export Obligation against EPGC Licence	74.35	-

- 27.** The Company hedges its export realizations through foreign exchange derivative & hedge contracts in the normal course of business so as to reduce the risk of exchange fluctuations. No foreign exchange derivative & hedge contracts are taken / used for trading or speculative purpose. Following the principles of prudence, the company has not accounted for gain during the current year, computed on mark to market basis on the foreign exchange derivative & hedge contracts, outstanding as on 31st March, 2022.

28. Related party disclosure in accordance with the accounting standard 18 issued by the ICAI is given below:

i. Enterprises that directly or indirectly through one or more intermediaries, control or are controlled by or are under common control with the reporting enterprises (this includes holding companies, subsidiaries and fellow subsidiaries).

None

ii. Associate

None

iii. Individuals owning directly or indirectly, on interest in the voting power of the reporting enterprises that gives them control or significant influence over the enterprise, and relatives of any such individual - None

iv. Key management personnel and their relatives

a. Shri J.C. Laddha

b. Shri Varun Laddha

c. Smt. Sunita Laddha

d. Smt. Tanisha Laddha

e. J C Laddha HUF

f. Varun Laddha HUF

v. Enterprises over which any person described in (i) or (iv) is also to exercise significant influence.

Sr.No.

Company's Name

1. Elcon Finvest Enterprises Private Limited

2. Lagnam Spintex Limited

3. BSL Limited

4. Vinati Organics Ltd

vi. Transaction with related parties: The following transactions were carried out with the related parties in the ordinary course of business:

For the parties referred to in item (iv) above

Particulars	2021-22 (Rs. in Lacs)	2020-21 (Rs. in Lacs)
a) With Managing Director		
i) Remuneration - Salary	112.15	56.49
- Other perquisites	5.99	3.60
ii) Interest	-	-
b) With Directors		
i) Remuneration - Salary	206.72	99.41
- Other perquisites	12.25	3.60
c) Relatives		
i) Interest	21.92	1.71
ii) Unsecured Loan Payable	102.75	129.95

For the parties referred to in (v) above

Particulars	2021-22 (Rs. in Lacs)	2020-21 (Rs. in Lacs)
a) Sales	-	35.42
b) Trade Receivable	-	4.15

29. Previous year figures regrouped and rearranged wherever found necessary to make those comparable the same with current year.

30. Additional Regulatory Information

A. Shareholding of Promoters

Promoter name	As at 31.03.2022		AS at 31.03.2021		% Change during the year
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares	
1 J.C. Laddha	9500000	57.58	9500000	57.58	-
2 Varun Laddha	1500000	9.09	1500000	9.09	-
3 Sunita Laddha	1700000	10.30	1700000	10.30	-
4 Tanisha Laddha	305000	1.84	305000	1.84	-
5 J.C. Laddha HUF	130000	0.79	130000	0.79	-
6 Varun Laddha HUF	72000	0.44	72000	0.44	-
7 Elcon Finvest & Enterprises Pvt Ltd	3293000	19.96	3293000	19.96	-
Total	16500000	100.00	16500000	100.00	

B. Capital work in progress ageing (Rs.in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
Projects in progress		
Less than 1 year	5025.18	244.39
More than 1 year	–	–
Total	5025.18	244.39

C. Trade Receivables ageing from due date of payment (Rs.in Lacs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Undisputed Trade receivables - Considered Good	Undisputed Trade receivables - Considered doubtful	Undisputed Trade receivables - Considered Good	Undisputed Trade receivables - Considered doubtful
Less than 6 months	12602.60	–	10579.87	–
6 months - 1 year	18.95	–	–	–
1 - 2 Years	–	–	20.17	16.04
2 - 3 Years	–	16.04	–	7.56
More than 3 years	–	17.84	–	10.28
Provision for doubtful debts	–	(33.88)	–	(33.88)
Total	12621.55	0.00	10600.04	0.00

D. Trade Payable ageing from due date of payment (Rs.in Lacs)

Particulars	As at 31.03.2022	As at 31.03.2021
MSME Less than 1 year	–	–
More than 1 year	–	–
Others Less than 1 year	954.72	685.73
More than 1 year	–	–
Total Less than 1 year	954.72	685.73
More than 1 year	–	–

E. During the year the company has taken term loan of Rs. 20900 Lacs for its cotton spinning project & other modernization/replacement projects and GECL loan of Rs. 3752 Lacs for its working capital requirements. All these loans are utilized for the same purpose.

F. The company has borrowed Rs. 13000.13 Lacs from banks on basis of security of current assets. All the quarterly returns and statements of current assets filled by the company during the year with banks are in agreement with the books of accounts.

G. The Company has not been declared willful defaulter by any bank or lender during the year.

H. Ratio Analysis:

S. No.	Ratios	Fourmla	For the year ended	
			31.03.2022	31.03.2021
1	Current Ratio	Current Assets / Current Liabilities	1.69	1.58
2	Debt-Equity Ratio	Total Long term Debt / Shareholders Equity	1.22	2.27
3	Debt Service Coverage Ratio	Earnings available for debt services/Debts services (Term Loan)	2.68	1.87
4	Return on Equity Ratio	Profit After Tax / Share Holder Equity	45.96%	18.72%
5	Inventory turnover ratio	Turnover / Closing Inventory	36.06	60.69
6	Trade Receivables turnover ratio	Turnover / Closing Receivables	6.65	5.07
7	Trade payables turnover ratio	Purchases / Closing Payables	66.20	54.25
8	Net capital turnover ratio	Net Sales / Working Capital	6.16	6.19
9	Net profit ratio	Profit After Tax / Turnover	10.84%	3.73%
10	Return on Capital employed	Earnings Before Interest and Tax / Capital Employed	24.13%	9.25%
11	Return on investment	(Book Value Closing -Opening) / Book Value - Opening	85.04%	23.04%

I. The company has not advanced or loaned or invested funds to any other person or entity including foreign entity during the year with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiary) or provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.

J. The company has not received any fund from any persons or entity including foreign entity (funding party) during the year with the understanding that the company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

K. The company has not surrendered or disclosed any transaction, not recorded in the books of accounts as income during the year in the tax assessment under the Income Tax Act ,1961

L. CSR Expenditure

Being the net profits of the company are higher than the prescribed limits, the company is covered under section 135 of the Companies Act, 2013 and liable to incur expenditure on CSR activities.

Details of CSR activities are as under:

a	Amount required to be spent by the company during the year,	Rs. 34.17 lacs
b	Amount of expenditure incurred	Rs. 34.41 lacs
c	Shortfall at the end of the year	Rs. NIL
d	Total of previous years shortfall,	Rs. NIL
e	Reason for shortfall,	Not Applicable
f	Nature of CSR activities,	Education, Health, Sports, Conservation of Soil,
g	Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Rs. NIL
h	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Not Applicable

M. The company has not made any transaction in crypto currency or virtual currency during the year.

N. Information pursuant to Part II of Schedule III of the Companies Act, 2013, to the extent applicable:

a. Installed Capacity (As Certified by the Management)

Description	Mar-22	Mar-21
Rotors	2208	2208
Ring Spindles	28560	28560
Ring Spindles (Compact Spinning)	43776	43776
Knitting Machines (Nos.)	24	18
Solar Power Plant (MW)	2.29	1.74

b. Raw Material Consumed

Description	2021-22		2020-21	
	MT	(Rs.in Lacs)	MT	(Rs.in Lacs)
Cotton/Comber	34357.79	51739.21	30849.30	33952.44
Polyester	1764.88	1607.19	1581.32	1090.05
Yarn	3.28	54.36	14.88	73.93
Total	36125.95	53400.76	32445.50	35116.42

(c) Details of Imported & Indigenous Raw Material and Spare Parts and Components Consumed:

Description	2021-22		2020-21	
	(Rs.in Lacs)	Percentage	(Rs.in Lacs)	Percentage
(i) Raw Material				
Imported	-	-	-	-
Indigenous	53400.76	100.00	35116.42	100.00
Total	53400.76	100.00	35116.42	100.00
(ii) Stores & Spares				
Imported	218.90	23.14	255.95	31.84
Indigenous	727.03	76.86	548.03	68.16
Total	945.93	100.00	803.98	100.00

(d) FOB Value of export (Rs.in Lacs)

Description	2021-22	2020-21
FOB Value	42116.78	25416.28

(e) Value of imports calculated on CIF basis in respect of: (Rs.in Lacs)

Description	2021-22	2020-21
Machineries	329.00	149.05
Spare Parts	191.83	286.82
Raw Material	-	-

(f) Other Expenditure in Foreign Currency : (Rs. in Lacs)

Sr. No.	Particulars	2021-22	2020-21
1	Travelling Expenses	-	-
2	Commission/Claims/Ocean Freight		
	- Commission	306.72	264.26
3	Others	2.99	1.72
	Total	309.71	265.98

As per our attached report of even date

For SSMS & Associates

Chartered Accountants
Firm Registration No. 019351C

(Satish Somani)

Partner
Membership No.076241

Place : Bhilwara
Date : 16.04.2022
UDIN - 2207641AHGSLU8402

For and on behalf of the Board

(J.C.Laddha)
Chairman
(DIN - 00118527)

(Varun Laddha)
Managing Director
(DIN - 01635880)

(Yogesh Kumar Singhal)
Company Secretary
(M.No. FCS 11099)

Progress of the Project



SUDIYA SPINNERS PRIVATE LIMITED

**91 KM Stone, NH-79, Village - Dhunwalia
Post - Sareri, Dist. - Bhilwara - 311024**