

38th ANNUAL REPORT

2018-19

SUDHA APPARELS LIMITED

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SUDHA APPARELS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 38th Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The highlights of the financial results are as under:

	Rs.	
	Year ended <u>31.03.2019</u>	Year ended <u>31.03.2018</u>
Total Income	142,15,17,383	80,67,28,706
Profit before exceptional and Extra- Ordinary items and tax	19,41,74,340	3,82,23,420
Less:		
Provision for diminution in value of investments	1,612,960	(37,61,28,934)
Provision for Non- Performing Assets	10,71,09,870	(83,33,599)
Profit/(loss) before tax	85,451,510	42,28,83,953
Provision for Taxation	4,33,43,989	5,51,69,823
Profit/(loss) after Tax	4,21,07,521	36,75,14,130
Balance brought forward from previous year	2,15,51,10,669	186,10,99,365
Profit available for appropriation	2,19,72,18,190	2,22,86,13,495
APPROPRIATIONS		
-Transfer to Statutory Reserve	84,21,600	7,35,02,826
-Balance carried to Balance Sheet	2,18,87,96,590	215,51,10,669
	2,19,72,18,190	2,22,86,13,495

DIVIDEND

With a view to conserve resources for future business operations of the Company, your Directors do not recommend any dividend for the year under review.

RESULTS OF OPERATIONS

Total income of the Company during the year was Rs. 14215.17 lakhs as against Rs. 8067.29 lakhs in the previous year. The profit before tax during the year was Rs.854.52 lakhs as against Rs. 4226.84 lakhs in the previous year. The profit after tax was Rs. 421.08 lakhs as against Rs. 3675.14 lakhs in the previous year.

SUBSIDIARY COMPANIES

Your Company has one subsidiary namely Crisspark Vincom Limited and one associate namely Kushagra Infrastructure Private Limited. There has been no material change in the nature of business of subsidiary companies.

Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary and associate companies is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary are available on the website of the Company www.sudhaapparels.com

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, the Audited Consolidated Financial Statements along with Auditors' Report form part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Mangat Ram Garg, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He has resigned as Whole-time Director of the Company on 10th May, 2019, however, he is continuing as Director of the Company.

Shri Sunil Gautam has been appointed as Additional Director of the Company with effect from 1st June, 2019. Further he has also been designated as Whole-time Director and Key Managerial Personnel of the Company with effect from 1st June, 2019 for a period of 3 years.

Shri R.K. Banthia has resigned as Independent Director on 8th August, 2019 due to his pre-occupation. Dr. Roma Kumar was appointed as an Additional Director of the Company and designated as Independent Director for a period of five year w.e.f. 8th August, 2019.

Brief resume of Directors who are proposed to be appointed/re-appointed is furnished in the Notice of Annual General Meeting.

All Independent Directors of the Company have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Shri Rajesh Gupta has resigned as Company Secretary of the Company on 31st March, 2019. He was again appointed as a Company Secretary of the Company and also been designated as Key Managerial Personnel with effect from 1st June, 2019.

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Shri Sunil Gautam, Whole-time Director, Shri Rajesh Gupta, Company Secretary and Shri Arup Mitra, Chief Financial Officer.

BOARD MEETINGS

During the year four Board meetings were held. The details of which are given in the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

The Board of Directors has carried out the Annual performance evaluation of its own, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board, after seeking inputs from all the Directors on the basis of criteria such as Board composition and structures, effectiveness of Board processes, information and functioning etc.

The performance of the Committees were evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as contribution of the Individual Director to the Board and Committee meetings.

Also in a separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole was evaluated. The Company had no designated Chairman during the year 2018-19.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the corporate governance report, which forms part of the Directors' Report.

RISK MANAGEMENT

Adequate measures have been adopted by the Company to anticipate, plan and mitigate the spectrum of risks it faces. The Company's business operations are exposed to financial risks including Liquidity Risk etc.

The Board of the Company has approved the Risk management Policy of the Company and authorized the Audit Committee to implement and monitor the risk management plan for the Company and also identify and mitigate the various element of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

INTERNAL FINANCIAL CONTROLS

As per the provisions of Section 134(5)(e) of the Companies Act, 2013 the Company has in place adequate internal financial controls with reference to financial statements. Audit Committee periodically reviews the adequacy of internal financial controls.

During the year, such controls were tested and no reportable material weaknesses were observed.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, your Directors state:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2019, the applicable accounting standards had been followed and there are no material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made 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 financial year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts for the year ended 31st March, 2019 have been prepared on a going concern basis;
- (v) that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively and
- (vi) that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

As required under Section 92(3) of the Companies Act, 2013, the extract of the Annual Return in prescribed form MGT-9 is annexed with this Report.

AUDIT COMMITTEE

The Audit Committee of the Company as on 31st March, 2019 consists of Shri R.K. Banthia, Chairman, Shri Mangal Ram Garg and Shri Vibhore Kaushik as its other members. The terms of reference are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

VIGIL MECHANISM

The Company has adopted a Whistle blower policy and established the necessary vigil mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of conduct. The said policy has been disclosed on the Company's website under the web link <http://www.sudhaapparels.com/SudhaWhistleBlowerPolicy.pdf>

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Committee has formulated a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities, which has been approved by the Board. The CSR Policy may be accessed on the Company's website under the web link <http://www.sudhaapparels.com/CSR%20Policy%20-Sudha.pdf>

The Annual Report on CSR activities in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 is appended as Annexure to this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186(11) (b) of the Companies Act, 2013, provisions of Section 186 are not applicable to any acquisition made by a non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934 and whose principal business is acquisition of securities (i.e. investment and lending activities). The Company has not given any guarantee or provided any security.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/transactions entered into by the Company with the related parties during the year were in the ordinary course of business and on an arm's length basis.

All related party transactions are periodically placed before the Audit Committee for review and approval.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are appended in Form AOC-2 as Annexure to this Report.

CORPORATE GOVERNANCE REPORT

Pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report along with Auditors' Certificate regarding compliance of conditions of Corporate Governance has been annexed as part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis Report which forms part of this Annual Report.

INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said committee.

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules framed thereunder, M/s Bidasaria & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of 36th Annual General Meeting of the Company till the conclusion of 41st Annual General Meeting.

The observations of the Auditors are explained wherever necessary in the attached Annexure A.

COST RECORDS

The Company is not required to maintain cost records as specified by the Centre Government under Section 148(1) of the Companies Act 2013.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

SECRETARIAL AUDIT

The Board has appointed M/s Hemant Singh and Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year ended 31st March, 2019. The Secretarial Audit Report for the year ended 31st March, 2019 is annexed herewith as an annexure to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

A Certificate under Clause (i) of point (10) of para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by M/s Hemant Singh and Associates, Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is attached as Annexure B.

FIXED DEPOSITS

The Company has not accepted any deposits from Public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the business activities of the Company, the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

PARTICULARS OF EMPLOYEES

Particulars of employees, as required under Section 197(12) of the Companies Act, 2013 (Act) read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. However, in pursuance of Section 136(1) of the Act, this report is being sent to the shareholders of the Company excluding the said information. The said information is available for inspection by the members of the Company at the registered office of the Company during working hours up to the date of the Annual General Meeting. Any member interested in obtaining such information may write to the Company Secretary at the corporate office of the Company.

MATERIAL CHANGES & COMMITMENTS

No material changes and commitments, effecting the financial position of the Company have occurred after the end of the financial year ended 31st March, 2019 and till the date of this report.

ACKNOWLEDGEMENT

The Board expresses its grateful appreciation of the assistance and co-operation received from Central and State Governments, Banks and Shareholders.

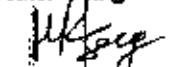
Your Directors wish to place on record their deep sense of appreciation for the devoted contribution made by the employees and associates at all levels.

For and on behalf of the Board

Place: Gurgaon

Dated: 8th August, 2019

Mangat Ram Garg



Chairman

DIN: 00449709

Reply to Auditors Remarks

Sr. No.	Auditors' Comments	Company's Reply
1.	Provision of Rs. 2.08 lakhs for Leave Encashment Payable and Rs. 13.60 lakhs for Gratuity Payable is not supported by any actuarial calculation.	There is no requirement for actuarial valuation as the Company has only eight employees. Provision for Gratuity has been made as per Payment of Gratuity Act, 1972 and working thereof was provided to auditors at the time of audit.
2.	Internal Audit Report has not been provided.	Internal Audit report already provided to the Auditors at the time of audit.
3.	Balance confirmation of trade receivables and other advances has not been provided.	Balance confirmation has already been provided to Auditors at the time of audit.
4.	Management has not disclosed the transactions made during the year with the related parties.	Transactions with related parties has been disclosed in in Note to Accounts
5.	Advance of Rs. 1000 lakhs given to Crishpark Vincom Limited (Subsidiary Company) is included in the calculation of both provision for non-performing assets and provisions for standard assets Rs. 2.50 lakh Had the amount in the provision for standard assets, the profit of the Company would have been increased by Rs. 2.50 lakh.	Provision against Standard assets has been made as per RBI requirement.
6.	Provision for NPA has not been made property for interest free loan of Rs. 10 crore and no provision has been made Interest bearing loan amount of Rs. 27.10 crore to Crishpark Vincom Limited (subsidiary of Company).	Provision has been made as per RBI requirement.
7.	Non-disclosure of advance of Rs. 2 lakh given to one of the Director of the Company.	Amount of Rs. 2 lakh paid as advance to Whole Time Director against salary.
8.	Non-provision for municipal tax paid Rs. 97.45 lakhs. Had the amount been provided, the profit of the Company would have been decreased by Rs. 97.45 lakhs.	The Expenses have been booked on payment basis.
9.	Fixed assets register and supporting for physical verification of fixed assets have not been provided.	Fixed assets register and verification certificate was provided at the time of audit.
10.	No agreement provided for brokerage paid Rs. 9.45 lakh to Anshul Gupta HUF.	No agreement was entered with broker, as Company had one time transaction against investment in Bonds.

11.	Details and documents of Capital advance Rs. 649.82 lakhs has not been provided.	No capital advance was given during the year 2018-19. All documents related to advances of previous years are already with the Auditors.
12.	Rent agreements have not been provided	There is only one new rent agreement entered during the year and the same has been provided to the Auditors at the time of audit.
13.	Proper bifurcation of trade receivable has not been done as per Schedule III.	All receivables are less than six months old and shown properly, in Notes.
14.	Minutes of audit committee has not been provided	Minutes of audit committee were provided to the Auditors for verification at the time of audit.
15.	Company Registers have not been provided for verification	All company statutory registers were provided to the auditors for their verification at the time of audit.
16.	Purchase Invoice for purchase of Air Conditioner (Addition to Fixed assets) Rs. 5.38 lakh has not been provided	Relevant Invoice was provided to the Auditors for their verification.

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (a) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

- 1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy which is posted on the Company's website www.sudajaapparels.com. The Company proposes to adopt projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as recommended from time to time.

- 2. The Composition of the CSR Committee.**

The Company has a CSR Committee of Directors comprising of Shri Mangat Ram Garg, Chairman of the Committee and Shri R K Banthia and Shri Vibhore Kaushik as its other members.

- 3 Average net profit of the Company for last three financial years – Rs. 2332.95 Lakhs**

- 4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) –Rs. 46.66 Lakhs**

- 5 Details of CSR spent during the financial year**

(a) Total amount to be spent for the financial year – Rs. 46.66 Lakhs

(b) Amount unspent, if any – 36.66 Lakhs

(c) Manner in which the amount spent during the financial year is detailed below.

- 6 Reasons for not spending two percent of the average net profit of the last three financial years or any part thereof on CSR.**

The Company considers various proposals for carrying out CSR activities to ensure that the contributions made by the Company are for deserving causes and are properly utilized, which has taken more time than estimated and hence the required amount was not spent during the year. The Company was still evaluating various proposals at the year end.

- 7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Savita Jindal Director	Mangat Ram Garg Chairman CSR Committee
--------------------------------------	--

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs subheads : (1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	Eradicating hunger, poverty and malnutrition and promoting health care including preventive health care	For providing shelter, foods	Delhi NCR	3,00,000	3,00,000	3,00,000	Through implementing agency
		For providing Medical help and Facilities	Delhi NCR	39,66,000	3,00,000	3,00,000	Through implementing agency
2	Promoting education	For promoting education	Delhi NCR	4,00,000	4,00,000	4,00,000	Through implementing agency
	Total CSR Spend			46,66,000	10,00,000	10,00,000	

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st March, 2019

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

To,

The Members,
Sudha Apparels Limited
2/5 Sarat Bose Road, Sukh Sagar,
Flat No 8A, 8th Floor,
Kolkata-700020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUDHA APPARELS 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2019** 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 **SUDHA APPARELS LIMITED** ("the Company") for the financial year ended on **31st March, 2019** 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 there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the Audit Period);



- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -- (Not applicable to the Company during the Audit Period); and
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws applicable specifically to the Company namely:
- a. Non-Banking Financial Company-Non Systemically Important Non-Deposit Taking Company (Reserve Bank) Directions, 2016 and other relevant guidelines and circulars issued by Reserve Bank of India from time to time and periodic reporting done by the Company.
 - b. and other relevant guidelines and circulars issued by Reserve Bank of India from time to time and periodic reporting's done by the Company.

We have also examined compliance with the Standards/ Regulations of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, as per our audit of records of the Company and as per the explanations and clarifications given to us, 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 with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent 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.

The decisions of the Board were carried out through unanimous votes, no dissenting views of any Director was recorded in the minutes maintained by 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 during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Hemant Singh & Associates
Company Secretaries

Date: 8th August, 2019

Place: New Delhi



(Hemant Kumar Singh)
(Partner)
FCS 6033
C.P. No. 6370

This Report is to be read with Annexure A, which forms an integral part of this report.


Annexure A

The Members
Sudha Apparels Limited
2/5 Sarat Bose Road, Sukh Sagar,
Flat No 8A, 8th Floor,
Kolkata-700020

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 the random 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 financial records and Books of Accounts of the Company.
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 the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random 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.

For Hemant Singh & Associates
Company Secretaries


Hemant Kumar Singh
Partner
Membership No. 6033
Certificate of Practice No. 6370



Date: 8th August, 2019
Place: New Delhi

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members
Sudha Apparels Limited
2/5 Sarat Bose Road, Sukh Sagar,
Flat No 8A, 8th Floor,
Kolkata-700020



We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SUDHA APPARELS LIMITED** bearing CIN L17299WB1981PLC033331 and Registered Office at 2/5 Sarat Bose Road, Sukh Sagar, Flat No 8A, 8th Floor, Kolkata-700020 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with clause (i) of Point (10) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2019** have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No	Name of Director	Director Identification Number (DIN)
1.	Mr. Mangat Ram Garg	00449709
2.	Mrs. Savita Jindal	00449740
3.	Mr. Vibhore Kaushik	01834866
4.	Mr. Rajendra kumar Banthia	00117022

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

For Hemant Singh & Associates

Company Secretary

Hemant Kumar Singh


(Partner)

FCS No. 6033

CP No: 6370

Date: 8th August, 2019

Place: New Delhi

SUDHA APPARELS LIMITED
Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiaries/Associates Companies/ Joint Ventures

Part "A" Subsidiaries:

Sr. No.	Particulars	Name of Subsidiaries: CRISHPARK VINCOM LIMITED
1.	Reporting period for the subsidiary concerned	31.03.2019
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Indian Rupee
3.	Share Capital	1,30,02,000
4.	Reserves and Surplus	(446,123,492)
5.	Total Assets	94,48,94,841
6.	Total Liabilities	94,48,94,841
7.	Investments	89,87,03,593
8.	Turnover	2,00,84,738
9.	Profit before taxation	(42,95,91,968)
10.	Provision for taxation	1300207
11.	Profit after taxation	(43,08,92,175)
12.	Proposed Dividend	Nil
13.	% of shareholding	51.67

Notes:

- Names of the subsidiaries which are yet to commence operations – Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

Part "B" Associates and Joint Ventures

Sr. No.	Particulars	Name of Associate KUSHAGRA INFRASTRUCTURE PRIVATE LIMITED
1.	Latest audited Balance Sheet Date	31.03.2019
2.	Shares of Associate/Joint Ventures held by the Company on the year end	50%
	- No. of Equity Shares	11,96,000
	-Amount of Investment in Associates/Joint Venture	3,60,59,450
	- Extent of Holding (%)	50.00
3.	Description of how there is significant influence	Shareholding exceeding 20% of paid-up share capital
4.	Reason why the associate/joint venture is not consolidated	Associate has been consolidated
5.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	2,11,93,928
6.	Profit/(loss) for the year	
	i. Considered in consolidation	(4355)
	ii. Not Considered in consolidation	Nil

- Names of the associates or joint ventures which are yet to commence operations – Nil
- Names of associates or joint ventures which have been liquidated or sold during the year – Nil

Arup Kumar Mitra
CFO

Rajesh Gupta
Company Secretary

Savita Jindal
Director
DIN:00449709

Mangat Ram Garg
Whole-time Director
DIN: 00449740

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

(a)	Name(s) of the related party and the nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/arrangement/ transactions	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and the nature of relationship	NIL
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/arrangement/ transactions	
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
(e)	Date of approval by the Board	
(f)	Amount paid as advances, if any	

SUDHA APPARELS LIMITED

Form No. MGT-9

Extract of Annual Return

As on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	L17299WB1981PLC033331
ii)	Registration Date	3 rd February, 1981
iii)	Name of the Company	SUDHA APPARELS LIMITED
iv)	Category/Sub-Category of the Company	Public
v)	Address of the Registered Office and contact details	2/5, Sarat Bose Road, Sukh Sagar, Flat No.8A, 8 th Floor, Kolkata-700 020 West Bengal
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	Alankit Assignment Limited Alankit Heights, 1E/13, Jhandewalan Extension, New Delhi – 110055 Phone: 011-23541234, 42541234 Fax: 011- 42541967 e-mail: rta@afankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated.

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Commercial Loan and Investment	65923	89.60
2	Leasing of self-owned non-residential building	70104	09.72

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIAR Y/ ASSOCIATE	% of shares held	Applicable Section
1	Crishpark Vincom Limited	U51109WB1984PLC065299	Subsidiary	51.67%	2(87)(ii)
2	Kushagra Infrastructure Private Limited	U29120WB2005PTC102950	Associate	50.00%	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 st April, 2018)				No. of Shares held at the end of the year (As on 31 st March, 2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
PROMOTERS									
(1) Indian									
a) Indian/HUF	426835	-	426835	58.71	426835	-	426835	58.71	0.00
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corporate	107416	-	107416	14.78	107416	-	107416	14.78	0.00
e) Bank/FI									
f) Any Other									
Sub - Total	534251	-	534251	73.49	534251	-	534251	73.49	0.00
(2) Foreign									
a) NRI - Individuals									
b) Other Individuals									
c) Bodies Corporates									
d) Bank/FI									
e) Any Other									
Sub - Total									
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	534251	-	534251	73.49	534251	-	534251	73.49	0.00
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
Institutions									
a) Mutual Funds									
b) Bank/FI									
c) Central Government									
d) State Government									

e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Ventures									
i) Others (Specify)									
Non-Institutions									
a) Bodies Corporates - Indian	25600	119161	144761	19.91	25600	167109	192709	26.51	6.60.00
b) Individuals shareholders holding nominal share capital upto Rs 1 lakh		48000	48000	6.60		52	52	0.00	-6.60.00
Individuals shareholders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (Specify)									
Sub-total (B)(2):	25600	167161	192761	26.51	25600	167161	192761	26.51	0.00
Total Public shareholding	25600	167161	192761	26.51	25600	167161	192761	26.51	0.00
C. Shares held by Custodian for GDRs and ADRs									
Grand Total (A+B+C)	559851	167161	727012	100.00	559851	167161	727012	100.00	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 st April, 2018)			Shareholding at the end of the year (As on 31 st March, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Dharam Pal Jindal	69900	9.62	0.00	69900	9.62	0.00	0.00
2	Dharam Pal Jindal (HUF)	35150	4.84	0.00	35150	4.84	0.00	0.00
3	Saket Jindal	70000	9.63	0.00	70000	9.63	0.00	0.00
4	Savita Jindal	106662	14.67	0.00	106662	14.67	0.00	0.00
5	Raghav Jindal	145123	19.96	0.00	145123	19.96	0.00	0.00
6	Jindal Global Finance and Investment Ltd.	107416	14.77	0.00	107416	14.77	0.00	0.00
	Total	534251	73.49	0.00	534251	73.49	0.00	0.00

(iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year (As on 1 st April, 2018)		Date	Increase/Decrease in shareholding	Reason	Shareholding at the end of the year (As on 31 st March, 2019)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
NO CHANGE DURING THE YEAR								

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (As on 1 st April, 2018)		Increase/Decrease during the year		Cumulative Shareholding at the end of the year (As on 31 st March, 2019)	
		No. of shares	% of total shares of the company	No. of shares	Reason	No. of shares	% of total shares of the company
1	Pushpanjali Investrade Pvt. Ltd.	70,000	9.63		N.A.	70,000	9.63
2	GVN Fuels Limited	36,000	4.95		N.A.	36,000	4.95
3	Flakt Dealcomm Ltd	35,761	4.92		N.A.	35,761	4.92
4	Gautam Fin-Invest Pvt. Ltd.	3,000	0.41	24862	Transfer	27862	3.83
5	Jhanjhari Holdings Pvt. Ltd.	NA	NA	23086	Transfer	23086	9.63
6	Dharambir Singh	850	0.12	-849	Transfer	1	0.00
7	Shiv Kumar Sharma	850	0.12	-849	Transfer	1	0.00
8	B.P. Roy	800	0.11	800	N.A.	0	0.00
9	Satya Prakash Goyal	800	0.11	-798	Transfer	2	0.00
10	Pawan Kumar Verma	800	0.11	-798	Transfer	2	0.00
11	Ajay Joshi	800	0.11	-798	Transfer	2	0.00
12	Anil Kumar Pathak	800	0.11	-798	Transfer	2	0.00
13	Chandgi Pandey	800	0.11	-799	Transfer	1	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

Sl No.		Shareholding at the beginning of the year 01.04.2018		Increase/Decrease during the year		Cumulative Shareholding at the end of the year 31.03.2019	
		No. of shares	% of total shares of the company	No. of shares	Reason	No. of shares	% of total shares of the company
1	Smt Savita Jindal -Director	106682	14.67		N.A.	106682	14.67
2	Shri R.K. Bantnia - Director		0.00		N.A.	0	0.00
3	Shri Vibhore Kaushik - Director		0.00		N.A.	0	0.00
4	Shri Mangal Ram Garg -Director		0.00		N.A.	0	0.00
5	Shri Rajesh Gupta - CS (KMP)		0.00		N.A.	0	0.00
6	Shri Arup Kumar Mitra - CFO(KMP)		0.00		N.A.	0	0.00

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (1st April, 2018)				
i) Principal Amount		120,22,22,769		120,22,22,769
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)		120,22,22,769		120,22,22,769
Change in Indebtedness during the financial year				
Addition				
Reduction		6,12,79,168		6,12,79,168
Net Change		6,12,79,168		6,12,79,168
Indebtedness at the end of the financial year (31st March, 2019)				

ii Principal Amount		114,09,43,601	0	114,09,43,601
iii Interest due but not paid				
iii Interest accrued but not due				
Total (i+ii+iii)		114,09,43,601	0	114,09,43,601

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONEL

A Remuneration to Managing Director, Whole-time Director and/or Manager

Sl no.	Particulars of Remuneration	Mr. Mangal Ram Garg, WTD (Rs.)	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,47,146	12,47,146
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total (A)	12,47,146	12,47,146

B. Remuneration to other Directors:

Sl no	Particulars of Remuneration	Shri R.K. Banthia	Shri Vibhore Kaushik	Smt. Savita Jindal	Total Amount
	3. Independent Directors · Fee for attending board committee meetings · Commission	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL
	4. Other Non-Executive Directors · Fee for attending board committee meetings · Commission				
	Total (2)	NIL	NIL	NIL	NIL
	Total (B)=(1+2)				12,46,147
	Total Managerial Remuneration (A)+(B)				

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Amount in Rs.)**

Sl no	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Mr. Rajesh Gupta, CS	Mr. Arup Kumar Mitra, CFO	
1.	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act.		10,17,295	2,83,184	13,00,479
	(b) Value of perquisites u/s				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission · as % of profit · others, specify...				
5.	Others, please specify				
	Total	N.A.	10,17,295	2,83,184	13,00,479

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/punishment/compounding Fees imposed	Authority (RD/NCLT/ Court)	Appeal made, if any (give details)
Penalty					
Punishment					
Compounding					
OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

SUDHA APPARELS LIMITED

CORPORATE GOVERNANCE REPORT

Sound Corporate Governance is essential to enhance the shareholders' trust and value. Your Company conducts its affairs with the highest levels of integrity, with proper authorizations, accountability, disclosure and transparency. The Company strongly believes in maintaining a simple and transparent corporate structure driven solely by business needs. Shareholders' interests are on utmost priority while protecting the interest of other stakeholders, customers, suppliers and its employees and the management is only a trustee to carry out the activities in a truthful and fruitful manner.

The Company is in compliance with the requirements as stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to corporate governance.

1. BOARD OF DIRECTORS

Composition

The Company's policy is to have appropriate mix of Executive and Non-Executive/Independent Directors including one women Director on the Board. The Company has one Executive Director. The number of Non-Executive Directors (NEDs) exceeds 50% of the total number of Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, across all companies in which they are Directors. The Directors have made necessary disclosures regarding their Committee positions.

All Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board Functioning and Procedure

During the year ended 31st March, 2019, the Board of Directors met (4) four times on 29th May 2018, 8th August 2018, 5th November 2018 and 12th February, 2019. The Board periodically reviews the compliance report of all laws applicable to the Company. The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting and also the number of Directorships held by them in other companies as on 31st March, 2019 are given below:

Directors	Category	Shares held	Attendance		No. of other Directorships and Committees Memberships held			Listed Entity where the director is a director & Category of Directorship
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanships	
Sri Savita Jindal	Non-Executive	108,682	2	No	1	-	-	
Sri. M.R. Garg	Executive	-	4	Yes	4	-	-	
Sri. R.K. Bhatnagar	Independent	-	4	Yes	4	-	-	
Sri Vibhina Kaustubh	Independent	-	4	No	2	1	-	Slabbe Trading Company Limited- Independent Director

Note:

1. Only Audit and Stakeholder's Relationship Committees are considered
2. Excludes directorship in Foreign Companies.
3. No Directors is related with other Directors

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or management personnel, inter alia, to discuss:

- the performance of Non Independent Directors and Board of Directors as a whole.
- the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively perform its duties.

During the year under review, the Independent Directors met on 12th February, 2019. All Independent Directors were present at the meeting.

Familiarisation Programme

The Directors are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee meetings on business and performance updates of the Company. Detailed presentations on the Company's business segments were made at the separate meeting of the Independent Directors

The details of familiarization programmes for Independent Directors are posted on the Company's website and can be accessed at <http://www.sudhaapparels.com/programme.pdf>

CORE SKILLS/EXPERTISE/COMPETENCIES FOR THE BOARD OF DIRECTORS

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Corporate Governance, the Board has identified the following core skills/expertise/competencies for the Board of Directors in the context of business of the Company to function effectively and those actually available with the Board as follows:

- (i) Industry specific knowledge/ experience;
- (ii) Financial literacy/expertise including appreciation of legal/ regulatory issues;
- (iii) General administrative expertise including HR matter; and
- (iv) Knowledge of contemporary socio economic issues.

2. AUDIT COMMITTEE

The terms of reference of the Audit Committee are as per guidelines set out in the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 177 of the Companies Act, 2013. The Audit Committee provides directions to the audit functions and monitors the quality of internal and statutory audit.

The responsibilities of the Audit Committee include overseeing the financial reporting process, to ensure fairness, sufficiency and credibility of financial statements, review findings of internal auditors relating to various functions, recommendation of appointment and removal of statutory auditors, internal auditors and cost auditors and fixation of their remuneration; review of the quarterly and annual financial statements before submission to the Board with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013; review of adequacy and compliance of internal control systems and the internal audit function; review of compliance with laws; inspection of records and audit reports and reports of statutory auditors; review of findings of internal investigations; review of statement of significant related party transactions; review of management letters/letter of internal control,

weaknesses issued by statutory auditors, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any in the payment to shareholders; review the functioning of the Whistle Blower mechanism etc.

COMPOSITION

The Audit Committee of the Company comprised of three Directors consisting of one Executive Director and two Independent Non-executive Directors. All members of the Committee possess knowledge of Corporate finance, Accounts and Company Law. The Chairman of the Committee is an Independent Non-Executive Director. The Company Secretary acts as the Secretary to the Audit Committee.

Minutes of the Audit Committee meetings are noted by the Board of Directors at the subsequent Board meeting.

During the year under review 4 Audit Committee meetings were held on 29th May, 2018, 8th August, 2018, 5th November, 2018 and 12th February, 2019. The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

Members	Category	No. of meetings attended
Shri R.K. Banthia	Chairman	4
Shri M.R. Garg	Member	4
Shri Vibhore Kaushik	Member	4

INTERNAL AUDIT

The Company has appointed Internal Auditors to review the internal control systems of the Company and to report thereon. The Audit Committee reviews the reports of the Internal Auditors periodically.

3. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted Nomination and Remuneration Committee (NRC) and the terms of reference of the NRC are as per guidelines set out in Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The said Committee has been entrusted to formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to remuneration for the Directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board, devising a policy on Board diversity, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal etc.

The Nomination and Remuneration Committee comprised of three Non-Executive Directors. The Chairman of the Committee is an Independent Non-Executive Director. During the year under review meeting of the Nomination and Remuneration Committee was held on 12th February, 2019

Name of the Members	Designation	No. of Meetings attended
Shri R.K. Banthia	Chairman	1
Shri Vibhore Kaushik	Member	1
Smt. Savita Jindal	Member	1

Nomination and Remuneration Policy

The Remuneration Policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. This Remuneration Policy applies to Directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Remuneration of Whole Time Director reflects the overall remuneration philosophy and guiding principles of the Company. When considering the appointment and remuneration of Whole Time Director, due consideration is given to pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under the Companies Act, 2013 inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration also aims to motivate personnel to deliver company's key business strategies, create a strong performance oriented environment and reward achievement of meaningful targets over the short and long term.

The Nomination and Remuneration Policy of the company has been uploaded and can be accessed on the Company's website at <http://www.sudhaapparels.com/NRC%20Policy%20-%20Sudha.pdf>.

Directors' Remuneration

Remuneration paid to the Directors during the financial year ended 31st March, 2019 are as under.

(a) The Details of remuneration paid to Whole-time Director:

(Amount in Rs.)

Name	Salary	Perquisites and other benefits	Total
Shri Mangat Ram Garg	12,47,146	Nil	12,47,146

(b) The Non- Executive Directors are entitled to be paid by way of sitting fees for meetings of the Board of Directors and Audit Committee. During the year ended 31st March, 2019 - no remuneration was paid to Non-Executive Directors in view of them having waived their entitlement to receive the sitting fee.

Apart from being entitled to Directors' remuneration by way of sitting fee for attending meetings of the Board and Audit Committee, none of the Non- Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31st March, 2019 -

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Your Directors have constituted the Corporate Social Responsibility Committee in reference to the requirements of Section 135 of the Companies Act, 2013.

The constitution of the Corporate Social Responsibility Committee is as under:-

Members	Designation
Shri Mangat Ram Garg	Chairman
Shri R.K. Banthia	Member
Shri Vibhore Kaushik	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

During the year under review, the said Committee met on 29th May, 2018. All members of the Committee were present at the meeting.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Company has constituted Stakeholders' Relationship Committee under the Chairmanship of a Non-Executive Director of the Company. The Committee meets periodically, to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates and reviews the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of shares transfers/transmissions approved by the Committee are placed at the Board meetings from time to time.

COMPOSITION

The constitution of the Stakeholders Relationship Committee is as under:-

Name of the Members	Designation
Smt. Savita Jindal	Chairperson
Shri Mangat Ram Garg	Member
*Shri R.K. Banthia	Member

* Appointed as a member of the Committee with effect from 12th February, 2019

Compliance Officer

The Board has designated Company Secretary as Compliance Officer of the Company.

Details of Shareholders' Complaints received and replied to the satisfaction of Shareholders

Number of Shareholders complaints received during the period 01.04.2018 to 31.03.2019	:	Nil
Number of complaints not solved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on 31.03.2019 which were solved later on.	:	Nil

DESIGNATED EMAIL ID FOR INVESTORS

The Company has designated the following e-mail ID exclusively for redressal of investor grievance i.e. secretarial@sudhaapparels.com

SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary Company.

The Company monitors performance of subsidiary companies by the following means:-

- Financial statements of subsidiary companies are reviewed by the Audit Committee.
- Minutes of Board meetings of subsidiary companies are placed before the Board meetings of the Company regularly.

The Company has adopted a Policy in line with the requirements of the Listing Regulations. The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company. The policy on Material Subsidiary is available on the website of the Company under the web link [http://www.sudhaapparels.com/Material Subsidiary.pdf](http://www.sudhaapparels.com/Material%20Subsidiary.pdf)

6. GENERAL BODY MEETINGS

(i) Details of the last three Annual General Meetings:

Financial year	Date	Location of the Meeting	Time
2015-16	30.09.2016	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020	11.30AM.
2016-17	28.09.2017	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020	11.30AM.
2017-18	28.09.2018	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020	11.30AM.

(ii) Special resolutions passed in the previous three Annual General Meetings:

- a) In the AGM held on 30th September, 2016 : No Special resolution was passed.
- b) In the AGM held on 28th September, 2017 : No Special resolution was passed.
- c) In the AGM held on 28th September, 2018 : No Special resolution was passed.

(iii) No special resolution is proposed to be conducted through postal ballot.

7. CERTIFICATE ON CORPORATE GOVERNANCE REPORT

As required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Certificate on Corporate Governance has been annexed to the Board's Report.

8. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In compliance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013 the Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors, KMPs and designated employees.

9. MEANS OF COMMUNICATION

The Company's financial results are communicated to CSE Limited with whom the Company has listing arrangement, as soon as they are approved and taken on record by the Board of Directors of the Company. Thereafter the results are normally published in The Financial Express (English) and Sukhabar (Bengali). The Financial Results are also available on the Company's website <http://www.sudhaapparels.com>.

10. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting:

Date and Time: 27th September, 2019 at 11:30 A.M.

Venue: Registered Office of the Company at 2/5, Sarat Bose Road, Kolkata – 700020

(b) Financial Year: 1st April, 2018 to 31st March, 2019

(c) Dividend Payment Date: N.A.

(d) Listing on stock Exchange:

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata- 700 001 (West Bengal) and Listing Fee upto 2019-20 has been duly paid.

(e) Stock Code

Scrip ID:	SUDHA APPARELS
Scrip Code:	10029405
NSDL/ CDSL – ISIN	INE207F01012

(f) Market Price Data

There was no trading of shares on CSE during the period from 1st April 2018 to 31st March, 2019.

(g) Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.

Not Applicable as the Company is listed on Calcutta Stock Exchange only.

(h) In case securities are suspended from trading, the directors shall explain the reason thereof:

The Company has complied with all the requirements of the Listing Agreement/ SEBI (Listing Obligations and Disclosure Requirements) from time to time. In spite of that the Stock Exchange has suspended the Company from trading. However the Company has applied for Revocation of Suspension under Amnesty Scheme of the Stock Exchange.

(i) Registrar and Transfer Agent

Alankit Assignment Limited
Alankit Heights,
1E/13, Jhandewalan Extension,
New Delhi – 110055
Phone: 011-23541234, 42541234
Fax: 011- 42541967, e-mail: rta@alankit.com

(j) Share Transfer System:

Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within the prescribed time from the date of receipt.

(k) Distribution of shareholding as on 31st March, 2019

No. of Equity Shares held	No. of Share-holders	% of share-holders	No. of Shares held	% of Shareholding
Upto 5000	45	77.59	3052	0.42
5001 to 50000	7	12.07	154859	21.30
50001 to 100000	3	5.17	209900	28.87
100001 and Above	3	5.17	358201	49.41
Total	58	100.00	727012	100.00

Shareholding Pattern as on 31st March, 2019

Category	No. of Shares held	% of Shareholding
Promoters	534251	73.49
Private Bodies Corporate	192709	26.50
Indian Public	52	0.01
Grand Total	727012	100.00

(l) Dematerialization of shares

77.01% of total paid-up equity shares of the Company were in dematerialized form as on 31st March, 2019

(m) Outstanding GDRs/ADRs/Warrants or any Convertible Bonds, conversion date and likely impact on equity:

There is no outstanding GDRs/ADRs or convertible Bonds etc.

(n) Commodity price risk or foreign exchange risk and hedging activities

Company's nature of business is of investment and financing, hence there is no commodity price risk or foreign exchange risk

(o) Plant Locations: N.A.

(p) Address for correspondence:

Shareholders' correspondence should be addressed to the Registrar and Transfer Agent at the following address:

Alankit Assignment Limited
Alankit Heights,
1E/13, Jhandewalan Extension,
New Delhi – 110055
Phone: 011-23541234, 42541234
Fax: 011- 42541967, e-mail: rta@alankit.com

Shareholders holding shares in dematerialized form should address all their correspondence to their respective Depository Participants.

11. OTHER DISCLOSURES

a) Related Party Transactions

There have been related party transactions as reflected in the notes to the accounts but they are not in conflict with the interest of the Company. All transactions have been approved by the Audit Committee and all transactions entered into by the Company with the related parties during the financial year were on the arm's length basis.

The Board has approved a policy on materiality of Related Party Transactions which has been uploaded on the website of the Company at the following link <http://sudhaapparels.com/SudhaRPTPolicy.pdf>.

b) Accounting Standards

The Company follows the Accounting Standards laid down by the Institute of Chartered Accountant of India and there has been no deviation during the year.

c) Details on Non Compliance

There were no penalties or strictures imposed on the Company by the Stock Exchanges, SEBI, or any other statutory authorities on any matter related to the capital markets during the last 3 years.

d) CEO/CFO Certificate

Shri Shrikant Ladia, Whole Time-Director and Shri Satish Saxena, CFO have furnished the required certificate to the Board of Directors pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

e) Vigil Mechanism/Whistle Blower Policy

The Company has adopted a Whistle blower policy and has established the necessary vigil mechanism as defined under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. No person has been denied access to the Chairman of the Audit Committee. The said policy has been disclosed on the Company's website under the web link <http://sudhaapparels.com/SudhaWhistleBlowerPolicy.pdf>.

d) Detail of compliance with mandatory requirements and Adoption of Non-mandatory requirements

The Company has complied with all the mandatory requirements of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has also complied with following non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. Shareholder Rights

Financial positions of the company are posted on the website of the Company.

B. Modified opinion(s) in audit report

The Financial Statements of the Company are unqualified.

C. Reporting of Internal auditor

Internal Audit Reports are directly reported to audit committee.

CODE OF CONDUCT


The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The Code has also been posted on the Company's website <http://www.sudhaapparels.com>.

The Code has been circulated to all members of the Board and senior management personnel and the compliance with the Code of Conduct and Ethics is affirmed by them annually.

A declaration signed by the Whole-time Director of the Company is given below:

This is to certify that, all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended 31st March, 2019.

Date: 8th August, 2019


Mangat Ram Garg
Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Sudha Apparels Limited

2/5 Sarat Bose Road, Sukh Sagar,

Flat No 8A, 8th Floor,

Kolkata-700020

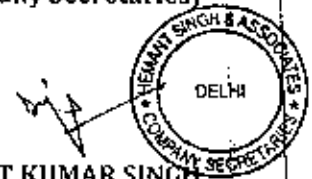
We have examined the compliance of conditions of Corporate Governance by **SUDHA APPARELS LIMITED** ('the Company'), for the year ended 31st March, 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **HEMANT SINGH & ASSOCIATES**
(Company Secretaries)



HEMANT KUMAR SINGH

(Partner)

FCS- 6033

C.P. No. : 6370

Place: New Delhi

Dated: 8th August, 2019

SUDHA APPARELS LIMITED

Management Discussion and Analysis

Forming part of the Directors' Report for the year ended 31st March, 2019

FORWARD LOOKING STATEMENTS

The statement in the Directors' Report and Management Discussion and Analysis Report contains "forward-looking statements" about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expression for future are forward-looking statements.

Forward-looking statements should be viewed in the context of many risk issues, and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussion and Analysis Report, including but not limited to, the impact of changes in oil, Steel prices worldwide and domestic, economic and political conditions. We cannot assure that outcome of this forward-looking statements will be realized. Factors like changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. may further influence the company's operations or performance. The Company disclaims any duty to update the information given in the aforesaid reports.

ECONOMIC ENVIRONMENT OVERVIEW

India's GDP is estimated to have grown by 6.8% in FY19 compared to 7.2% in FY18. This was due to lower growth in agriculture and mining sectors, lower government spending on public administration and weaknesses in domestic and external demand conditions. However, on the structural reforms front, the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code (IBC) continued evolving during the year. Also, in the World Bank's Ease of Doing Business rankings, India continued its ascent for the second consecutive year and reached the 77th rank.

The Indian economy faced a slew of challenges around mid-FY19 from the external front. This was triggered by a sharp increase in the global Brent price, leading to a sharp depreciation in the Rupee along with other emerging market currencies. Around the same time, the debt defaults by IL&FS group triggered a crisis of confidence in the NBFC sector, a critical source of finance for the real Sector. The liquidity tightness faced by NBFCs post the IL&FS debt defaults impacted leveraged consumer demand for auto varieties, consumer durables, housing etc., and credit flows to small and micro borrowers during Q3FY19. However, pragmatic and regulatory interventions helped easing the situation in Q4FY19.

BUSINESS OUTLOOK

Several global forecasters, including the international Monetary Fund, have lowered their projections for the global economic growth in 2019 from a year earlier because of ongoing trade frictions, tightening of financial conditions and Brexit-related uncertainties.

Global slowdown and tight financial conditions are likely to impact India's GDP growth during FY20 which may remain flattish over its last year's level. Going by past trends, India's growth mix remains skewed towards consumption and away from investment during the general election year. Due to impact of general elections, financial markets and capital inflows witnessed volatility in Q1, FY20. Also, the new political regime will most probably follow fiscal prudence in H2FY20 and this may impact public investments and growth in the latter part of the year.

On the positive side, a strong political mandate ensures political stability and policy continuity. Retail (CPI) inflation is projected by the Reserve Bank of India (RBI) to remain below 4% up to December 2019. This should enable the Monetary Policy Committee of RBI to implement easy monetary policy during a major part of FY20.

OPPORTUNITIES & THREATS

The Company foresees new opportunities to come up to expand its operations by way of equity participation in new projects/expansion of existing projects, considering long term growth potential of the Country. The NBFC sector holds immense potential in view of the Government of India's increased focus towards Financial Inclusion.

The economic recovery, coupled with contained inflation has brightened the prospects of business growth. With multiple players invading the market, the ability to compete effectively will depend, to some extent, on the Company's ability to raise low cost funds in future.

SEGMENT-WISE PERFORMANCE

The Company is engaged in the business of Finance/Investment activities and Renting of Property. The segment-wise performance has been disclosed in Note 17 of Financial Statements.

RISKS AND CONCERNS

As an NBFC, your Company is subjected to both external and internal risks. External risks due to interest rate fluctuation, slowdown in economic growth rate, political instability, market volatility, decline in foreign exchange reserves, etc. Internal risk is associated with your Company's business which includes the strategic investments in a specific sector. Any downward movement in the prospects of the sector could be a threat to the Company's prospects.

At this juncture of rapidly evolving macroeconomic risks, it becomes imperative for business to track the macroeconomic performance on an ongoing basis. Your Company recognizes the importance of risk management and has invested in people, process and technologies to effectively mitigate the above risks, so as to arrive at a profitable investment decision.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control system, commensurate with its size and nature of operations, covering assurance of recording all the transaction details, regulatory compliance and protecting the Company assets from any kind of loss or misuse. Accounting records are adequate for preparation of financial statements and other financial information. Internal Audit is conducted on a periodical basis to ascertain the adequacy and effectiveness of internal control systems.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Total income of the Company during the year was Rs. 14215.17 lakhs as against Rs. 8067.29 lakhs in the previous year. The profit before tax during the year was Rs.854.52 lakhs as against Rs. 4226.84 lakhs in the previous year. The profit after tax was Rs. 421.08 lakhs as against Rs. 3675.14 lakhs in the previous year.

HUMAN RESOURCES

Your Company has employed professionals/experienced persons, playing an important role in the operations of the Company. The Company will strengthen its operative staff as and when the need arises.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
M/S SUDHA APPARELS LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of M/s. SUDHA APPARELS LIMITED ("the Company") [CIN NO. L17299WB1981PLC033331] which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, and the statement of cash flows 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements 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 31st, 2019 and profit/loss and its cash flows for the year ended on that date.

Basis of Qualified Opinion

1. Attention is invited to Note 4.2 Forming part of the Financial Statements, the Management informed us that the provision of Rs 2,08,610/- for Leave Encashment Payable and Rs 13,60,475/- for Gratuity Payable is not supported by any actuarial calculation. The calculation made by the Company is also not made available to us.
2. The internal audit report has not been provided to us by the Management.
3. The balance confirmation of the Trade Receivables and other advances has not been provided by the management. —
4. Attention is invited to Note 14 Forming part of the Financial Statements, the Management has not disclosed the transactions made during the year with the related parties entered into by the Company. The Management has disclosed only final outstanding balance of the related parties.
5. Attention is invited to Note 5.3 Forming part of the Financial Statements, the advance of Rs 10,00,00,000/- given to Crishpark Vincom Ltd (Subsidiary Company) is included in the calculation of both provision for non performing assets Rs 10,00,00,000/- and provision for standard assets Rs 2,50,000/-. Had the amount not been included in the provision of standard assets, the profit of the Company would have been increased by Rs 2,50,000/-.
6. Attention is invited to Note No 5.3C Forming part of the Financial Statements, the provision for NPA is not made properly. 100% provision for NPA (Non performing assets) has been made for the advance of Rs 10,00,00,000/- given free of interest to the Subsidiary Company, Crishpark Vincom Ltd. Further the Company has also given loan to its Subsidiary Company, Crishpark Vincom Ltd. amounting to Rs 27,09,80,164/- bearing interest. The Company has made number of transactions of paying further loans and also repayment of the same. However, the Company has made provision for advance made of Rs 10,00,00,000/- only. No provision for NPA has been made for loan amount of Rs 27,09,80,164/-. Here the provisions relating to NPA has not been followed.
7. Attention is invited to Note no. 9.4 & 14 Forming part of the Financial statements, the advance of Rs 2,00,000 paid to one of the director of the Company has not been disclosed separately in the related



party schedule of the Balance Sheet. It has been included under the head Other Advances (to Staff & Others) amounting to Rs 87,34,415.

8. Attention is invited to Note 11.5 Forming Part of the Financial Statements, The municipal taxes paid for Gurugram Property and New Town Property amounting to Rs 4,40,208/- for 3 quarters and Rs 93,04,539/- for 3 quarters respectively has not been provided for. Had this been provided, the profit of the Company would have been decreased by Rs 97,44,747.
9. The fixed asset register and supportings for physical verification of fixed assets has not been provided to us by the Management.
10. Brokerage paid to Anshul Gupta HUF amounting to Rs 9,45,000 for UP Power & Yes Bank Bond Deal Transaction is included under the head Legal & Professional Charges accounted for in the Profit & Loss Statement. No agreement has been provided to us regarding the same, by the Management.
11. Attention is invited to Note No 16 forming part of the Financial Statements, Details and Documents of Capital Advances amounting to Rs 6,49,82,387/- has not been provided to us for our verification by the management.
12. The rent agreement and the agricultural rent agreement has not been provided to us for our verification by the management.
13. Attention is invited to Note No 9.2 forming part of the Financial Statements , the Management has not provided for the proper bifurcation of Trade Receivables as on 31st March 2019 as per Schedule III of the Companies Act, 2013.
14. Minutes of the Audit Committee for FY 2018-19 not provided to us for our verification by the management.
15. Company Register not provided to us for our verification by the management.
16. Purchase Invoices of Air Conditioner amounting to Rs 5,38,199/- addition made during the year not provided to us by the Management.

We conducted our audit in accordance with 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 we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Matter was Addressed in the Audit
<p>Loans – Classification and Provisioning</p> <p>[Refer Note 5 to the financial statements, read with the Accounting Policy No. 1(i)]</p> <p>The loans are classified as performing and nonperforming advances (NPA) and provisioning</p>	<p>Our Audit Procedure:</p> <p>We obtained an understanding of the Company's software and guidelines and directions of the RBI and the Company's internal instructions and procedures in respect of the loans classification and its provisioning and adopted the following audit procedures:</p>



thereon is made in accordance with the Master Direction - Non-Banking Financial Company - Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The classification and provisioning is done by the Company based on the above Directions. The extent of provisioning of NPA under the directions are mainly based on its ageing and recoverability of the underlined security.

In the event of any improper application of the directions or consideration of the incorrect value of the security, as the valuation of the security involves high degree of estimation and judgement, the carrying value of the loans could be materially misstated either individually or collectively, and in view of the significance of the amount of short term loans & advances in the financial statements i.e. 36.13% of total assets, the classification of the loans and provisioning thereon has been considered as Key Audit Matter in our audit.

- Evaluation and testing of the effectiveness of the key internal control mechanisms with respect to the loans monitoring, identification/ classification, assessment of the loan impairment including testing of relevant data quality etc.

- Verification / review of the documentations, operations / performance and monitoring of the loan accounts, on test check basis, to ascertain any overdue, unsatisfactory conduct or weakness in any loan account, to ensure that its classification and provisioning is in accordance with the directions of RBI, and based on the best estimate of the recoverability / valuation of the security.

Our Results:

The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions except as stated in our Note no 7 under the head 'Basis of Qualified Opinion'

Information other than the Financial Statements and auditors' report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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 not been provided Board's Report including Annexure to Board's Report, Business Responsibility Report, hence We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these 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.

The board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Financial Statements

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, and makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We considered quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the resulting of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure



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


Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in Annexure-A, a statement on the matters specified in the paragraph 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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
 - c. The Balance Sheet and the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except as specified under our paragraph on 'Basis of qualified opinion'
 - e. On the basis of written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act, and
 - f. With respect to reporting requirement on the adequacy of the internal financial controls over financial reporting of the company required under section 143(3)(f) of the Act, as amended, we refer to our separate report in "Annexure-B".
 - g. With respect to the other matters required to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to explanations given to us the remuneration paid by the company to its director during the year is in accordance with the provisions of Section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us ;
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2019, on its Financial position in its financial statement. (Refer note no.15.1 to 15.3).
 - ii. The Company has made provision in the financial statement for material foreseeable losses, if any, on long term contracts as required under the applicable law or accounting standards (Refer Note no 5.3A). As informed to us, the company has not entered into any derivative contract.
 - iii. There has been no amount required to be transferred to the investor Education and Protection fund by the Company during the year ended 31st March, 2019.

14, Princep Street
Kolkata - 700 072
29th May 2019



For BIDASARIA & ASSOCIATES
Chartered Accountants
(FRN: 315101E)


RAJKUMAR BIDASARIA
Partner
M.NO.-52251

Re : M/S. SUDHA APPARELS LIMITED (31.03.2019)

Annexure-A referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March, 2019,

- i) a) The Company has not produced for our verification proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We have not been able to ascertain whether Fixed Assets have been physically verified by the Management at reasonable intervals during the year and material discrepancies, if any, have been noticed or not in absence of any documentary evidence.
- c) According to the information & explanations given to us and on the basis of our examination of the records of the Company, we are not sure that the company holds valid title deeds in respect of its immovable property, as we have not been provided the title deeds for our verification.
- ii) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed during such verification.
- iii) a) The company has granted unsecured loans to two companies covered in the register maintained under section 189 of the Companies Act, 2013 and in our opinion, the terms and conditions of the grant of such loans are prejudicial to the interest of the Company vide our Note no 7 under the head 'Basis of Qualified Opinion'.
- b) There is no stipulation as to repayment of the principal amount and payment of interest, but payment of interest are generally regular except in the case of advance in the nature of loan given to its Subsidiary Rs 10,00,00,000/- and Associate Company with outstanding balance of Rs. 71,09,870/-. Both these amount has been provided as Non performing Assets during the year.
- c) In our opinion and according to the explanation given to us, the company is has not taken reasonable steps for recovery of the principal and interest which are overdue for more than 90 days.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act except as provided vide our Note no 1 under the head 'Basis of Qualified Opinion', with respect to the loans and investments made. As informed to us, the company has not given any guarantee and has not provided any security.
- v) According to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- vi) In our opinion and according to the information and explanation given to us, the company's activities do not require maintenance of any cost records.
- vii) a) According to the information and explanations provided to us and as per the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including income tax, GST and other statutory dues, as applicable to it with the appropriate authorities.

There are no such outstanding dues at 31st March, 2019 for a period of more than six months from the date they became payable.

- b) As explained to us and the records of the company examined by us, the details of disputed dues not paid towards income tax as on 31st March 2019 are as follows :



<u>Nature of Dues</u>	<u>F.Y. to Which the matter pertains</u>	<u>Forum Where Disputes Pending</u>	<u>Amount as per Demand Order (Rs.in Lacs)</u>
Income Tax Under Income Tax Act, 1961	2008 - 09	Commissioner of Income Tax (Appeals)	4.53
	2012 - 13	Commissioner of Income Tax (Appeals)	3.80
			8.33

- c) Besides above, without qualifying our opinion, we draw attention to Note No. 15.3 of Notes on Financial Statement regarding contingent liability of the company, not provided for on account of Service Tax payable of Rs. 38,17,716/- pertaining to period from October 2010 to September 2011 (excluding interest applicable, if any) on rental income which has neither been received from the tenants nor deposited with the prescribed authority on account of legal disputes raised by the tenants, the final adjudication of which is pending before the Apex Court. The Company however, holds written commitment from the tenants for collection of entire liability arising upon the company on this account.
- viii) The Company has not taken any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x) In our opinion, and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly Paragraph 3(xii) of the Order is not applicable.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards except as provided vide our Note no 5 under the head 'Basis of Qualified Opinion'.
- xii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xiii) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xiv) In our opinion & on the basis of records & documents examined by us the company is required to be registered u/s 45-IA of the Reserve Bank of India Act, 1934 and the company has obtained such registration.

14, Princep Street
Kolkata - 700 072
29th May 2019



For BIDASARIA & ASSOCIATES
Chartered Accountants
(FRN: 315101E)

Rajkumar Bidasaria
RAJKUMAR BIDASARIA
Partner
M.NO.-52251

Re. : M/S. SUDHA APPARELS LIMITED (31.03.2019)

Annexure B to the Auditors Report

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

We were engaged to audit the internal financial controls over financial reporting of M/S. SUDHA APPARELS LIMITED ("the Company") as of March, 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls.

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of 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 the 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 ("the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Disclaimer of Opinion

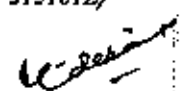
The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the standalone Company and we have issued a qualified opinion on the financial statements.

14, Princep Street
Kolkata - 700 072
29th May 2019



For BIDASARIA & ASSOCIATES
Chartered Accountants
(FRN: 315101E)


RAJKUMAR BIDASARIA
Partner
M.NO.-52251

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	NOTES	As At	As At
		31.03.2019	31.03.2018
		Rupees	Rupees
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
(a) Share Capital	2	7,270,120	7,270,120
(b) Reserves and Surplus	3	2,938,927,311	2,894,819,790
(c) Money Received Against Share Warrants			
		<u>2,944,197,431</u>	<u>2,902,089,910</u>
B Share Application Money Pending Allotment			
C. Non-Current Liabilities			
(a) Long-Term Borrowings	4	-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4.1	59,371,648	59,295,176
(d) Long-Term Provisions			
		<u>59,371,648</u>	<u>59,295,176</u>
D. Current Liabilities - Unsecured			
(a) Short-Term Borrowings	5.1	1,140,943,601	1,202,222,789
(b) Trade Payable			
(i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Other Current Liabilities	5.2	10,905,112	9,967,281
(d) Short-Term Provisions	5.3	149,080,600	39,086,439
Total Current Liabilities		<u>1,300,939,313</u>	<u>1,251,276,489</u>
Total Equity & Liabilities		<u>4,304,508,392</u>	<u>4,212,661,575</u>
ASSETS			
A. Non-Current Assets			
(a) Property, Plant & Equipment			
- Tangible assets	6	759,527,658	780,765,161
- Intangible Assets		-	-
- Capital Work-In-Progress		-	-
- Intangible assets under development		-	-
(b) Non-Current Investments	7	1,808,862,120	1,036,019,030
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	8	86,188,769	65,571,457
(e) Other Non Current Assets			
		<u>2,434,576,545</u>	<u>1,882,356,648</u>
B. Current Assets			
(a) Current Investments	9	-	-
(b) Inventories	9.1	259,602,888	-
(c) Trade Receivable	9.2	30,443,618	47,229,849
(d) Cash and Cash Equivalents	9.3	2,232,679	1,132,528,682
(e) Short-Term Loans and Advances	9.4	1,555,233,189	1,131,453,064
(f) Other Current Assets	9.5	22,420,473	19,092,322
		<u>1,869,932,847</u>	<u>2,330,304,927</u>
Total Assets		<u>4,304,508,392</u>	<u>4,212,661,575</u>

Summary of Significant Accounting Policies followed by the Company is given in Notes -1
The Accompanying Notes are an Integral Part of Financial Statement.

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 315101E

For & on Behalf of the Board

Raj Kumar Bidasaria
Partner
Membership No. 052251



Arup Kumar Mitra
CFO
PAN - A.Q HPM2661A

M.R. Garg
Director
DIN - 00449709

Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019

STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	NOTES	Year ended 31.03.2019 Rupees	Year ended 31.03.2018 Rupees
INCOME			
Revenue from Operations	10	1,273,697,879	660,161,444
Other Income	10	147,819,704	146,587,282
		<u>1,421,517,583</u>	<u>806,728,708</u>
EXPENDITURE			
Purchase of Stock in Trade	11	1,372,449,173	361,000,000
Decrease/(Increase) in Stock in Trade	11	(259,602,888)	137,500,000
Employees Benefit Expenses	11	4,154,081	4,608,433
Finance Cost	11	76,580,207	66,861,830
Depreciation / Amortization	6	21,873,345	22,869,073
Other Expenses	11	9,857,794	8,254,160
Loss on sale of Investment - Net		950,000	167,772,652
Contingent Provision against Standard Assets	5.	1,281,331	(258,882)
		<u>1,227,343,043</u>	<u>768,505,288</u>
Profit / (Loss) before exceptional ,extraordinary items and tax		194,174,340	38,223,420
Exceptional Items			
Provision for Diminution in value of investment		1,812,960	(376,126,934)
Provision for Non Performing Assets		107,109,970	(6,333,699)
Profit / (Loss) after exceptional and extraordinary items and before tax		<u>85,451,510</u>	<u>422,683,953</u>
Tax Expense			
Income Tax			
- Current Year		42,500,000	55,000,000
- Adjustment of Earlier Year		843,989	169,823
Total Tax Expense		<u>43,343,989</u>	<u>55,169,823</u>
Profit / (Loss) from Continuing Operation		<u>42,107,521</u>	<u>367,514,130</u>
Earning Per Share (Basic/ Diluted)		57.92	505.61

Summary of Significant Accounting Policies followed by the company is given in Notes -1
The Accompanying Notes are an integral Part of Financial Statement.

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 3151015

For & on Behalf of the Board

Raj Kumar Bidasaria
Partner
Membership No. 052251



Arup Kumar Mitra
CFO
PAN - AQHPM2661A

M.R. Garg
Director
DIN - 00449709

Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 28-05-2019

SUDHA APPARELS LIMITED

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2019**

	Year Ended 31.03.2019 Rs.	Year Ended 31.03.2018 Rs.
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	194,174,340	38,223,420
Adjusted for:		
Depreciation	21,873,345	22,869,073
Contingent Provision for Standard Assets	1,281,331	(258,862)
(Profit)/ Loss on Sale of Investments	950,000	167,772,652
Operating Profit before Working Capital Changes	218,279,019	228,606,283
Adjusted for:		
Trade & Other Receivables	(406,296,556)	141,608,025
Inventories	(259,602,888)	137,500,000
Trade Payables & Others	1,014,303	3,215,808
Cash Generated from operations	(446,608,125)	510,930,118
Direct taxes Paid	(47,983,790)	(49,947,814)
Cash Flow before extraordinary items	(494,589,915)	460,982,302
Extraordinary item		
Net Cash From Operating Activities	(494,589,915)	460,982,302
	A	
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(634,840)	(324,000)
Sale of Fixed Assets		2,129,110
Purchase of Investments	(658,888,090)	(437,769,194)
Sale of Investments	86,095,000	562,548,264
Net Cash from Investing Activities	(574,427,930)	128,582,180
	B	
C. Cash Flow from Financing Activities		
Proceeds / (Reduction) of Short Term Borrowings	(61,279,168)	543,179,361
Net Cash from Financing Activities	(61,279,168)	543,179,361
	C	
Net Increase in Cash & Cash Equivalents (A+B+C)	(1,130,297,013)	1,130,743,843
Opening Balances of Cash and Cash Equivalents	1,132,529,692	1,785,849
Closing Balances of Cash and Cash Equivalents	2,232,679	1,132,529,692
Change in Cash and Cash Equivalents	(1,130,297,013)	1,130,743,843

As per our report of even date attached

For **BIDASARIA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 315101E

Raj Kumar Bidasaria
Partner
Membership No. 052251



For & on behalf of the Board

Arup Kumar Mitra
CFO
AQHPM2661A

M.R. Gang
Director
DIN - 00449709

Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

NOTE – 1: SUMMARY OF ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

a. Basis of Preparation and Accounting

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with the requirements of the Companies Act, 2013 and in compliance with the applicable accounting standards. The accounting policies, except otherwise stated, have been consistently applied by the Company.

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle of 12 months and other criteria set-out in Schedule-III of the Companies Act, 2013.

b. Use of Estimates

The presentations of financial statements is in conformity with the generally accepted accounting principles which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognised in the year in which the results are known / materialized.

c. Revenue Recognition

Revenue is recognized on accrual basis in accordance with Accounting Standard (AS-9) "Revenue recognition".

Interest income is accrued on time proportion basis and recognised only if in the opinion of Management realisation is certain. Profit and loss on sale of investment is recognised on contract date. Dividend income is recognised when right to receive dividend is established.

d. Fixed Assets & Depreciation

Fixed Assets are stated at cost of acquisition, construction less accumulated depreciation. The cost comprises of purchase price and any other directly attributable cost of bringing the assets to working condition for its intended use. Depreciation on assets have been provided on pro-rata basis, for the period of use, on written down value method up to 31.03.2014, Depreciation is calculated at the rates prescribed under schedule XIV to the Companies Act, 1956. From 1.04.2014, depreciation is calculated by allocating the depreciable amount of each assets of its estimated useful life. Depreciation amount of asset is the cost of assets / W.D.V.as on 1.04.2014 less its residual value. Useful life on an asset is taking as prescribed under Schedule II of the Companies Act, 2013.



e. Investments

Long Term Investments are classified into Non current investments and others are classified as current investment current. Long-term investments are valued at their acquisition cost. Current investments are stated at lower of cost and fair market value. The provision for any diminution in the value of Non current investments is made only if such a decline is other than temporary in the opinion of the management.

f. Inventories

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

g. Employees Benefits

All employee benefits like salary, bonus, ex-gratia & others accruing & payable within the reporting accounting period are classified as Short Period and recognised on accrual basis.

Retirement benefits for Leave Encashment & Gratuity to employees are insignificant and un-funded Long-Term Term Liability classified as Non-Current. Gratuity payable to an employee is equal to 15 days salary for every completed year of service calculated as per Payment of Gratuity Act, 1972. Leave encashment liability is calculated for the period fixed by Company policy for which daily salary is arrived by dividing the salary last drawn. The liability for retirement benefits are restated on Balance Sheet date and difference with the opening balance is charged in the Profit & Loss Accounts.

h. Taxes on Income

Current Tax:

Provision for Taxation is ascertained on the basis of assessable profit computed in accordance with the provisions of Income Tax Act, 1961 & tax advices, wherever considered necessary.

Deferred Tax:

Deferred Tax is recognised, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income & accounting income computed for the current accounting year and reversal of earlier years' timing difference.

Deferred Tax Assets are recognised and carried forward to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

i. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised only when there is reliable estimate of present obligation as a result of past events. Contingent Liabilities are disclosed by way of Notes on accounts. Contingent Provision against Standard Assets is accounted as per RBI directive on standard assets. Contingent Assets are neither accounted nor disclosed in the financial statements due to uncertainty of their realisation.

j. Event occurring after the Balance Sheet Date

Event occurring after the Balance Sheet Date and till the date on which the Financial Statement are approved, which are material in nature and indicate the need for adjustments in the financial statement are considered.



k. **Impairment of Assets**

At each Balance Sheet Date, the Company assesses whether there is any indication that an assets has impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds its recoverable amount, an impairment loss is recognized in the Profit and Loss Account to the extent the carrying amount exceeds recoverable amount.

According to Management estimation the recoverable amount of the fixed assets is not less than its carrying amount as on the Balance Sheet date, hence no impairment provision is required this year.

l. **Borrowing Costs**

Borrowing cost attributable to acquisition of qualifying assets till date of acquisition is capitalised as part of cost of such assets. All other borrowing costs are classified as revenue expense

m. **Earning Per Share**

Basic earning per share is calculated by dividing net profit available for distribution to Equity shareholder by weighted Average Number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing net profit available for distribution to Equity shareholder by weighted Average Number of Potential equity shares outstanding during the year arrived at giving effect to all dilutive options.

n. **Research and Developments**

Revenue Expenditure on Research & Development is charged in the Statement of Profit & Loss of the year in which it is incurred. Capital Expenditure on Research & Development is capitalised with the cost of asset for which it is incurred.



Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
[as required in terms of paragraph 13 of Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015]
(Rupees)

Particulars			
(1)	Liabilities side:		
	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	(a) Debentures		
	Secured	-	-
	Unsecured (other than falling within the meaning of public deposits*)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans	-	-
	(d) Inter-corporate loans and borrowing	1,140,943,601	-
	(e) Commercial Paper	-	-
	(h) Other Loans (specify nature) * Please see note 1 below	-	-
	Assets side:		
		Amount Outstanding	
(2)	1. Break-up of Loans and Advances including bill receivable (other-than those included in (4) below):		
	(a) Secured	-	-
	(b) Unsecured	1,528,228,307	-
(3)	Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(I) Lease assets including lease rentals under sundry Debtors :		
	(a) Financial Lease	-	-
	(b) Operating Lease	-	-
	(II) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed Assets	-	-
	(III) Hypothecation loans counting towards EL/HP activities		
	(a) Loans where assets have been re-possessed	-	-
	(b) Loans other than (a) above	-	-



(4)	Break-up of Investments:			
	Current Investments:			
	1. Quoted:			
	i. Shares: (a) Equity	-		
	(b) Preference	-		
	ii. Debentures and Bonds	-		
	iii. Units of mutual funds	-		
	iv. Government Securities	-		
	v. Others (please specify)	-		
	2. Unquoted:			
	i. Shares: (a) Equity	-		
	(b) Preference	-		
	ii. Debentures and Bonds	-		
	iii. Units of mutual funds	-		
	iv. Government Securities	-		
	v. Others (please specify)	-		
	Long Term Investments:			
	1. Quoted:			
	i. Shares: (a) Equity	768,517,472		
	(b) Preference	-		
	ii. Debentures and Bonds	-		
	iii. Units of mutual funds	-		
	iv. Government Securities	-		
	v. Others (please specify)	-		
	2. Unquoted:			
	i. Shares: (a) Equity	139,569,648		
	(b) Preference	195,050,000		
	ii. Debentures and Bonds	505,725,000		
	iii. Units of mutual funds	-		
	iv. Government Securities	-		
	v. Others (please specify)	-		
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see note 2 below			
	Category	Amount of net of provisions		
	1. Related Parties**	Secured	Unsecured	Total
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	-	-	-
	(c) Other related parties	-	-	-
	2. Other than related parties	-	-	-
	Total	-	-	-
(6)	Investors group-wise classifications of all Investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below			



Sudha Apparels Limited

Category	Market Value / Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties**		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2. Other than related parties	1,878,073,482	1,608,862,120
Total	1,878,073,482	1,608,862,120

** As per Accounting Standard of ICAI (Please see Note 3)

(7)	Other Information	Amount
	Particulars	
	(i) Gross Non-Performing Assets	
	(a) Related parties	-
	(b) Other then related parties	-
	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other then related parties	-
	(iii) Assets acquired in satisfaction of debts	-



NOTES - 2 : SHARE CAPITAL

	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
<u>Authorised:</u>		
1,000,000 Equity shares of Rs. 10 each	10,000,000	10,000,000
	10,000,000	10,000,000

Issued, Subscribed and Paid up

<u>Equity Capital</u>		
727,012 Equity Shares of Rs.10 each fully paid up	7,270,120	7,270,120
	7,270,120	7,270,120

- a) Of the above Shares 527,012 Equity Shares were allotted as fully paid up pursuant to scheme of amalgamation without payment being received in cash
- b) Reconciliation of Shares Outstanding at the beginning and end of the year

Equity Shares of Rs. 10 each fully paid up

Particulars	As at 31.03.2019		As at 31.03.2018	
	Nos.	Rupees	Nos.	Rupees
At the beginning of Year	727,012	7,270,120	727,012	7,270,120
Add - Addition during the Year	-	-	-	-
Less - Reduction during the Year	-	-	-	-
At the end of the Year	727,012	7,270,120	727,012	7,270,120

- c) Equity shares holders have right to receive dividend proposed by the Board of Directors, subject to approval of shareholders at the General Meeting.
- d) Equity shareholders have no right to repayment of capital except, distribution of surplus assets on liquidation.
- e) List of persons holding more than 5% equity shares of Rs 10/- each of the company:

Name of Share-Holders	As at 31.03.2019		As at 31.03.2018	
	Nos	%	Nos	%
1. Jindal Global Finance & Investment Ltd .	107,416	14.77	107,416	14.77
2. Fiakt Dealcom Ltd.	35,761	4.92	35,761	4.92
3. Pushpanjali Investrade Pvt Ltd.	70,000	9.63	70,000	9.63
4 Dharam Pal Jindal	69,900	9.61	69,900	9.61
5. Savita Jindal	108,662	14.67	108,662	14.67
6. Saket Jindal	70,000	9.63	70,000	9.63
7. Raghev Jindal	145,123	19.98	145,123	19.98



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

NOTES - 3 : RESERVE & SURPLUS

Particulars	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
3.1 Capital Reserve		
As per last Balance Sheet	51,581,498	51,581,498
3.2 Other Reserves		
a) General Reserve		
As per last Balance Sheet	82,746,597	82,746,597
Add : Addition during the year	<u>82,746,597</u>	<u>82,746,597</u>
b) Statutory Reserve		
As per last Balance Sheet	505,381,026	531,878,200
Add : Addition during the year	<u>8,421,800</u>	<u>73,502,828</u>
	<u>613,802,826</u>	<u>605,381,028</u>
3.3 Surplus in Statement of Profit & Loss A/c		
As per last Balance sheet	2,155,110,669	1,861,099,285
<u>Profit/(Loss) during the Year</u>	42,107,521	367,514,130
Less - Transfer to Statutory Reserve	<u>8,421,800</u>	<u>73,502,828</u>
	33,685,921	294,011,304
Less - Transfer to General Reserve		
Current Year Surplus / (Deficit)	<u>33,686,821</u>	<u>294,011,304</u>
Closing Surplus/(Deficit)	<u>2,188,796,590</u>	<u>2,155,110,669</u>
Total	<u>2,936,927,311</u>	<u>2,804,819,790</u>

NOTES - 4 : NON - CURRENT LIABILITIES

4.1 Other Long Term Liabilities		
Others- Security Deposit	57,802,563	57,802,583
4.2 Long- Term Provisions		
For Employees Benefits	1,589,035	1,492,613
	<u>59,371,648</u>	<u>59,295,176</u>

NOTES - 5 : CURRENT LIABILITIES

5.1 Short -Term Borrowings (Unsecured)		
Loans Repayable on Demand	1,140,943,601	1,202,222,769
5.2 Other Current Liabilities		
Liabilities for Expenses	3,205,695	3,284,085
Liabilities for Statutory Dues	7,699,417	6,703,166
5.3 Short Term Provisions		
5.3A Contingent Provision for Standard Assets		
Opening Balance	2,662,086	2,920,947
Addition during the year	<u>1,281,331</u>	<u>(258,862)</u>
	3,943,416	2,662,085

The above provision is made @ 0.25% of Standard Assets on the reporting date as per RBI guidelines applicable to NBFC.

5.3B Provision for Diminution in value of Investment		
Opening Balance	36,424,354	412,551,268
Addition during the year	<u>1,612,960</u>	<u>(378,126,834)</u>
	38,037,314	36,424,354
5.3C Provision for Non Performing Assets		
Opening Balance		8,333,599
Addition / (Adjusted) during the year	<u>107,109,870</u>	<u>(8,333,599)</u>
	107,109,870	
	<u>149,090,500</u>	<u>39,086,439</u>



SUDHA APPARELS LIMITED

NOTE: S. FIXED ASSETS

TANGIBLE ASSETS DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK			
	AS AT 01.04.2018	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2019	UPTO 31.03.2018	FOR THE YEAR	SALES/ ADJUSTMENTS	UPTO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
Land - Gurgaon	31,768,200	-	-	31,768,200	-	-	-	-	31,768,200	31,768,200
Land - Hissar	93,961,803	-	-	93,961,803	-	-	-	-	93,961,803	93,961,803
Land - Kolkata	214,396,852	-	-	214,396,852	-	-	-	-	214,396,852	214,396,852
Building - Gurgaon	56,904,410	-	-	56,904,410	27,594,697	1,418,590	-	29,013,287	27,891,123	29,309,713
Building - Ranked Mall	592,145,673	-	-	592,145,673	186,746,526	19,905,098	-	206,651,624	385,494,049	405,399,147
Building - Kolkata	6,305,558	-	-	6,305,558	1,985,871	212,087	-	2,187,908	4,107,690	4,319,697
Lift	3,363,486	-	-	3,363,486	3,195,312	-	-	3,195,312	168,174	168,174
Office Equipments	59,924	578,840	-	638,764	56,932	150,110	-	207,042	431,722	2,992
Computer	69,285	55,000	-	125,285	58,419	4,636	-	63,055	62,230	10,866
Solar Power Panel	1,518,050	-	-	1,518,050	380,232	108,093	-	488,325	1,029,725	1,137,818
Furniture & Fixtures	370,018	-	-	370,018	79,107	74,721	-	163,828	216,188	280,908
Total	1,000,863,257	634,840	-	1,001,498,097	220,097,096	21,873,345	-	241,970,441	759,527,656	780,765,161
Previous Year	1,002,868,367	324,000	2,129,110	1,000,863,257	197,228,023	22,869,073	-	220,097,096	780,766,161	-



Notes forming part of the Financial Statements

NOTES - 7 : NON - CURRENT INVESTMENTS (Fully paid up unless otherwise specified)	As At 31.03.2019		As At 31.03.2018	
	Numbers	Rupees	Numbers	Rupees
NON - TRADE				
i) Quoted				
Equity Shares				
Rs. 5 each of Jindal Drilling & Industries Limited	3,081,000	277,463,874	3,081,000	277,463,874
Rs. 5 each of Maharashtra Seamless Limited	853,039	432,856,449	305,000	128,553,359
Rs. 10 each of Haryana Capfin Limited	1,014,322	43,479,630	1,014,322	43,479,630
Rs. 10 each of Parasnath Developers Limited	1,000	48,827	1,000	48,827
Rs. 10 each of Videocon Industries Limited	100	17,441	100	17,441
Rs. 10 each of GOL Offshore Limited	1,500	622,765	1,500	622,765
Rs. 1 each of Ultam Value Steel Limited	299,720	308,977	299,720	308,977
Rs. 1 each of Llyod Steel Industries Limited	40,761	656,575	40,761	656,575
Rs. 2 each of Aban Offshore Limited	100	47,233	100	47,233
Rs. 10 each of Hindustan Oil Exploration Co. Limited	2,000	470,766	2,000	470,766
Rs. 10 each of Selan Exploration Technology Limited	1,100	435,456	1,100	435,456
Rs. 1 each of Jindal Steel & Power Limited	18,466	9,873,849	18,466	9,873,849
Rs. 10 each of SVOGL Oil Gas And Energy Limited	1,500	604,728	1,500	604,728
Rs. 10 each of Hexa Tradex Limited	2,600	95,156	2,600	95,156
Rs. 10 each of IDBI Bank Limited	3,000	358,085	3,000	358,085
Rs. 1 each of NMDC Limited	5,000	1,177,641	5,000	1,177,641
ii) Un - Quoted				
a) Equity Shares				
Rs. 10 each of Dytop Commoddeal Limited	85,700	861,240	85,700	861,240
Rs. 10 each of Jindal Global Finance & Investment Limited	700,100	2,748,505	700,100	2,748,505
Rs. 10 each of Jindal Pipes Limited	3,741,740	14,060,798	3,741,740	14,060,798
Rs. 10 each of Sparlerk Dealcomin Limited	81,000	812,000	81,000	812,000
Rs. 10 each of Whitepin Tie -Up Limited	80,000	805,000	80,000	805,000
Rs. 10 each of Jindal Pa-x Tubes Pvt. Limited	100,000	1,000,000	100,000	1,000,000
Rs. 10 each of Jindal Explodriill Limited	-	-	9,500	95,000
Rs. 10 each of Neptune Builttech Pvt. Limited	9,810	98,405	9,810	98,405
Rs. 10 each of Sigma Infrastructure Pvt. Limited	9,800	98,415	9,800	98,415
Rs. 10 each of Kushagra Infrastructure Pvt. Limited	1,198,000	36,059,450	1,198,000	36,059,450
Rs. 10 each of Darpan Dealcom Limited	199,500	1,985,715	199,500	1,985,715
Rs. 10 each of Diamond Dealtrade Limited	8,105,000	81,040,120	8,105,000	81,040,120
b) Preference Shares				
Rs. 10 each of Global Jindal FinInvest Limited	-	-	250,000	25,000,000
Rs. 10 each of Crisspark Vincom Limited	775,000	120,000,000	775,000	120,000,000
Rs. 10 each of Jindal Global Finance & Investment Limited	-	-	200,000	10,000,000
Rs. 10 each of Darpan Dealcom Limited	7,505,000	75,050,000	7,505,000	75,050,000
c) Bonds				
Bank of India SR-I Perpetual	-	-	50	50,950,000
Punjab & Sind Bank Perpetual	150	151,140,000	150	151,140,000
UP Power Corporation Limited	200	201,900,000	-	-
Yes Bank Limited Perpetual	150	152,685,000	-	-
		1,608,862,120		1,036,019,030
Aggregate Value of Unquoted Investments		334,619,648		369,714,648
Aggregate Value of Quoted Investments		768,517,472		484,214,382
Market Value of Quoted Investments		824,681,093		637,674,849

Notes :

All investment in shares of Private Limited Companies are subject to restrictions on transfer of shares as contained in the Articles of Association of respective company.

* Investment written off due to strike off by MCA



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
NOTE - 8 : LONG TERM LOANS & ADVANCES (Unsecured, Considered good)		
8.1 Capital Advances	84,982,387	64,982,387
8.2 Security Deposit	1,203,382	589,070
	<u>66,185,769</u>	<u>65,571,457</u>
NOTES - 9 : CURRENT ASSETS		
9.1 INVENTORIES		
Stock in Trade - Mutual Fund Units	259,602,888	-
	<u>259,602,888</u>	<u>-</u>
9.2 TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months	-	-
Other Receivable	30,443,618	47,229,849
	<u>30,443,618</u>	<u>47,229,849</u>
9.3 CASH AND CASH EQUIVALENTS		
Cash on hand	21,262	94,363
Balances with Banks		
- In Current Accounts	2,211,417	2,435,309
- In Fixed Deposits	-	1,130,000,000
	<u>2,232,679</u>	<u>1,132,529,692</u>
9.4 SHORT TERM LOANS AND ADVANCES (Unsecured)		
Loans & Advances to Related Parties		
To Subsidiary Companies (Considered Good)		
Loans	270,980,164	377,847,327
Advances	100,000,000	100,000,000
To Associated Company-Loans (considered Doubtful)	7,109,870	7,109,870
Loan to Others (Considered Good)	1,141,403,658	614,894,413
Other Advances (To Staff & Others)	8,734,415	9,238,373
Advance Income Tax (Net of Provision Rs. 375,262,161/-, Previous Year Rs. 356,289,161/-)	27,004,882	22,365,081
	<u>1,559,233,189</u>	<u>1,131,453,084</u>
9.5 OTHER CURRENT ASSETS		
Prepaid Expenses	78,282	76,437
Interest Receivable	22,342,131	19,015,655
	<u>22,420,473</u>	<u>19,092,322</u>
Total Current Assets	<u>1,669,932,847</u>	<u>2,330,304,927</u>

In the opinion of Board and to the best of their knowledge and belief, the value on realisation of above current assets, except doubtful loan of Rs. 7,109,870 indicated above, would, in ordinary course of business, be not less than the amount at which they are stated.



SQDHA APPARELS LIMITED

Notes forming part of the Financial Statements

	Year ended 31.03.2019 Rupees	Year ended 31.03.2018 Rupees
NOTES - 10 : INCOME		
10.1 REVENUE FROM OPERATIONS		
Sale of Mutual Fund Units	1,130,482,149	507,358,621
Dividend - on Non current Investment	14,044,247	4,643,738
Interest (TDS Rs. 7,941,013/-, Previous Year Rs. 9,264,580/-)	79,410,119	92,845,763
Interest on Bond	49,761,164	55,515,322
Total Revenue from operations	<u>1,273,697,679</u>	<u>660,181,444</u>
10.2 OTHER OPERATING INCOME		
Rent (TDS Rs. 13,809,887/-, Previous Year Rs.13,604,834/-)	138,238,860	136,178,330
Other Income		
Profit on Acquisition of Land	9,247,419	10,384,816
Agriculture Rent	350,000	-
Liabilities Written Back	5,425	-
Profit on Transfer of rights in Land property - Net	-	4,117
Total other Income	<u>147,819,704</u>	<u>146,567,262</u>
Total Income	<u>1,421,517,383</u>	<u>806,728,706</u>
NOTE - 11 : EXPENSES		
11.1 Purchases of Stock in Trade		
Item - Mutual Fund Units	1,372,449,173	361,000,000
11.2 Decrease/(Increase) in Stock in Trade		
Item - Mutual Fund Units		
Opening Stock	-	137,500,000
Less - Closing Stock	259,502,888	-
Decrease/(Increase) in Stock in Trade	<u>(259,502,888)</u>	<u>137,500,000</u>
11.3 EMPLOYEES' BENEFIT EXPENSES		
Salaries & Other Allowances	4,019,281	4,336,069
Staff Welfare Expenses	134,800	170,364
	<u>4,154,081</u>	<u>4,506,433</u>
11.4 INTEREST & FINANCE COSTS		
Interest on Unsecured Short Term Loan	76,578,702	66,699,290
Bank Charges	1,505	192,540
	<u>78,080,207</u>	<u>66,891,830</u>
11.5 OTHER EXPENSES		
D.P. Charges	32,824	9,939
Rent	97,500	106,000
Rates & Taxes	3,254,699	152,759
Postage & Telephone	129,245	82,802
Printing & Stationery	5,197	12,933
Fee & Subscription	29,200	39,050
Travelling & Conveyance	474,473	361,854
Repair to Office Building	1,849,208	725,131
Repair & Maintenance - Others	718,759	-
Legal & Professional Charges	1,498,440	501,235
Insurance	170,076	193,399
CSR Expenses	1,000,000	5,000,000
Internal Audit Fee	9,280	11,800
Advertisement & Publicity	38,824	25,667
Investment Written Off	95,000	-
Auditors' Remuneration :		
- Audit Fee	88,500	88,500
- Tax Audit Fee	10,520	7,080
- Certification / others services	23,600	11,800
Miscellaneous Expenses	128,482	835,397
Total	<u>9,657,794</u>	<u>8,264,160</u>



NOTE : 12 - Earning Per Share

Net Profit/(Loss) after Tax	42,107,521	387,514,130
Total Number of Equity Shares	727,012	727,012
Earning Per Equity - Share Basic & Diluted	57.92	505.51

NOTE : 13 - DEFERRED TAX ASSETS/(LIABILITIES)

For Depreciation of Fixed Assets	42,810,133	38,398,928
For Expenses Allowable on Payment	509,090	484,278
For Unabsorbed Capital Losses	22,438,209	24,569,034
Total Deferred Tax Asset/(Liability) on Balance Sheet Date	65,763,432	61,452,240
Less - Opening Balance	61,452,240	52,693,953
Deferred Tax Income/(Expense) for the year	4,311,192	8,758,287

In view of uncertainty of realisation ; the above Deferred Tax Assets/Income has not been recognised in the Financial Statements.

NOTE : 14 - RELATED PARTY DISCLOSURE**a) Name of Key Managerial Person**

Mr. M.R. Garg - Wholetime Director
Mr. Arup Kumar Mitra - CFO
Mr. Rajesh Gupta - Company Secretary

(b) Enterprise where control exists

Subsidiary
Crishpark Vincom Limited (65.88%)

c) Other Related Parties with whom Transactions have taken place during the Year

Associate Company
Kushagra Infrastructure Pvt. Limited

Other Related Concern/Party
Smt. Savita Jindal (Director)

Transactions with Related Party during the year

Loan to Associate Company (closing balance)	7,109,870	7,109,870
Loan to Subsidiary Company (closing balance)	270,980,184	377,847,327
Other Advance to subsidiary	100,000,000	100,000,000
Payment to Other Related Party (Smt. Savita Jindal)		
a. Rent Paid	97,500	97,500
b. Other Services	97,600	99,897
Managerial Remuneration - Mr. M.R. Garg - Wholetime Director	1,291,600	1,287,587
Interest Income from Subsidiary, Associate & Other related party (No interest is provided on loan to Associated Company for being NPA)	24,814,283	28,675,910

NOTE - 15. CONTINGENT LIABILITIES NOT ACCOUNTED FOR**15.1 Income Tax Demand under Appeal**

A.Y. 2009-2010 F.Y. 2008-2009	453,410	453,410
A.Y. 2013-2014 F.Y. 2012-2013	380,280	380,280
Total	833,690	833,690



Notes forming part of the Financial Statements

15.2 In respect of Bank Guarantee Issued by IndusInd Bank Limited (previously by Kotak Mahindra Bank Limited) in favour of New Town Electric Supply Company Limited

13,684,350 13,684,350

15.3 SERVICE TAX LIABILITY

The Company has not provided for its Service Tax liability on "Renting of immovable Property" to some tenants for the period from October, 2010 to September, 2011 amounting to Rs. 76,36,432/- which has been disputed by these tenants through their association before Hon'ble Supreme Court, of which 50% of the arrear dues amounting to Rs. 38,17,716/- has been directly deposited by these tenants with the Service Tax Authority under the direction from the Apex Court and for the balance 50% of Service Tax dues, the final adjudication of the Apex Court is awaited. The Company, however, holds written commitment from such tenants for reimbursement of all liabilities arising due to non-payment of Service Tax by the Company.

16 NOTES ON CAPITAL ADVANCE

Capital Advances of Rs.64,982,387/- (Previous Year Rs. 64,982,387/-) under Note no. - 8 represent advances made to various parties (Local/Agriculturist) for purchases of various plots of land at different locations in the state of Maharashtra on behalf of the Company for investment purpose. Although the company holds original title deeds in respect of all such land purchased by these parties & taken possession of the land properties, the final conveyance in favour of company is pending due to restrictions imposed by the local authorities. Suitable appropriation of such capital advances would be made upon execution of conveyance deeds/settlement of accounts with all these parties upon disposal of the same.

17 SEGMENT REPORTING

The Company has this year identified two reportable primary Business Segment on the basis of risk & return involved, which are financing & investment and Renting of Property.

Segment Revenue, Results & other information

Particulars	Finance & Investment	Renting of Property	Others	Total
Income from operations	1,273,697,679 (660,161,444)	- (-)	9,602,844 (-)	1,283,300,423 (660,161,444)
Other operating income	- (-)	138,215,860 (138,178,330)	- (10,388,932)	138,215,860 (148,567,262)
Segment Results	1,273,697,679 (660,161,444)	138,215,860 (138,178,330)	9,602,844 (10,388,932)	1,421,517,383 (808,728,708)
Finance cost	76,580,207 (68,861,830)	- (-)	- (-)	76,580,207 (68,861,830)
Other expenditure	1,126,873,181 (878,996,762)	23,691,855 (22,646,694)	- (-)	1,150,782,038 (701,843,456)
Profit / (Loss) before Tax	70,246,291 (85,697,148)	114,325,205 (113,631,836)	9,602,844 (10,388,932)	194,174,340 (38,223,420)
Segment Assets	3,610,238,788 (3,480,069,953)	894,289,606 (732,591,822)	- (-)	4,304,508,392 (4,212,661,775)
Segment Liability	1,302,608,398 (1,262,769,102)	57,802,563 (57,802,563)	- (-)	1,360,310,961 (1,310,571,665)
Capital employed	2,307,730,388 (2,227,300,851)	836,487,043 (674,789,059)	- (-)	2,944,197,431 (2,534,575,780)



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

18 RESERVE BANK OF INDIA REGISTERED NON BANKING FINANCE COMPANY

The company is registered with Reserve Bank of India as Non Banking Finance Company vide Registration No - 0.5.02275 dtd 16.05.1998 and has been complying with prudential Norms prescribed by RBI.

Additional particulars as required in terms of paragraph 13 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding Companies) Prudential Norms (Reserve bank) Directions, 2015 separately attached

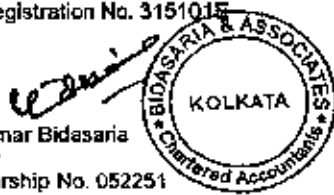
- 19 Based on information available with the company, there are no dues owed by the company to Micro, Small & Medium Enterprise, which are outstanding for more than 45 days during the year and as at 31st March 2019. As a result, no interest provision/ payments have been made by the Company to such Creditors, and no disclosure thereof is required under Micro Enterprises Development Act, 2006.
- 20 The retirement benefit of the employees of the company is recognised on payment basis as & when arisen.
- 21 Previous years figures have been regrouped / rearranged where ever necessary.

The Accompanying Notes form an integral part of the Financial Statements.

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 3151015

Raj Kumar Bidasaria
Partner
Membership No. 052251



For & on Behalf of the Board

Arup Kumar Mitra
CFO
PAN - AQHPM2661A

M.R. Garg
Director
DIN - 00449709

Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
M/S. SUDHA APPARELS LIMITED

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **M/S. SUDHA APPARELS LIMITED** (hereinafter referred to as the 'Holding Company') [CIN NO. L17299WB1981PLC033331] and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, which comprise the consolidated balance sheet as at March 31, 2019, the consolidated statement of profit and Loss, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31st, 2019 and Consolidated profit/loss and its Consolidated cash flows for the year ended on that date.

Basis of Qualified Opinion

1. Attention is invited to Note 4.2 Forming part of the Financial Statements, the Management informed us that the provision of Rs 2,08,610/- for Leave Encashment Payable and Rs 13,60,475/- for Gratuity Payable is not supported by any actuarial calculation. The calculation made by the Company is also not made available to us.
2. The internal audit report has not been provided to us by the Management.
3. The balance confirmation of the Trade Receivables and other advances has not been provided by the management.
4. Attention is invited to Note 14 Forming part of the Financial Statements, the Management has not disclosed the transactions made during the year with the related parties entered into by the Company. The Management has disclosed only final outstanding balance of the related parties.
5. Attention is invited to Note 5.3 Forming part of the Financial Statements, the advance of Rs 10,00,00,000/- given to Crishpark Vincom Ltd (Subsidiary Company) is included in the calculation of both provision for non performing assets Rs 10,00,00,000/- and provision for standard assets Rs 2,50,000/-. Had the amount not been included in the provision of standard assets, the profit of the Company would have been increased by Rs 2,50,000/-.
6. Attention is invited to Note No 5.3C Forming part of the Financial Statements, the provision for NPA is not made properly. 100% provision for NPA (Non performing assets) has been made for the advance of Rs 10,00,00,000/- given free of interest to the Subsidiary Company, Crishpark Vincom Ltd. Further the Company has also given loan to its Subsidiary Company, Crishpark Vincom Ltd. amounting to Rs



27,09,80,164/- bearing interest. The Company has made number of transactions of paying further loans and also repayment of the same. However, the Company has made provision for advance made of Rs 10,00,00,000/- only. No provision for NPA has been made for loan amount of Rs 27,09,80,164/- Here the provisions relating to NPA has not been followed.

7. Attention is invited to Note no. 9.4 & 14 Forming part of the Financial statements, the advance of Rs 2,00,000 paid to one of the director of the Company, has not been disclosed separately in the related party schedule of the Balance Sheet. It has been included under the head Other Advances (to Staff & Others) amounting to Rs 87,34,415.
8. Attention is invited to Note 11.5 Forming Part of the Financial Statements, The municipal taxes paid for Gurugram Property and New Town Property amounting to Rs 4,40,208/- for 3 quarters and Rs 93,04,539/- for 3 quarters respectively has not been provided for. Had this been provided, the profit of the Company would have been decreased by Rs 97,44,747.
9. The fixed asset register and supportings for physical verification of fixed assets has not been provided to us by the Management.
10. Brokerage paid to Anshul Gupta HUF amounting to Rs 9,45,000 for UP Power & Yes Bank Bond Deal Transaction is included under the head Legal & Professional Charges accounted for in the Profit & Loss Statement. No agreement has been provided to us regarding the same, by the Management.
11. Attention is invited to Note No 16 forming part of the Financial Statements, Details and Documents of Capital Advances amounting to Rs 6,49,82,387/- has not been provided to us for our verification by the management.
12. The rent agreement and the agricultural rent agreement has not been provided to us for our verification by the management.
13. Attention is invited to Note No 9.2 forming part of the Financial Statements , the Management has not provided for the proper bifurcation of Trade Receivables as on 31st March 2019 as per Schedule III of the Companies Act, 2013.
14. Minutes of the Audit Committee for FY 2018-19 not provided to us for our verification by the management.
15. Company Register not provided to us for our verification by the management.
16. Purchase Invoices of Air Conditioner amounting to Rs 5,38,199/- addition made during the year not provided to us by the Management.
17. The Net worth of the Subsidiary Company as on 31.03.2019 has gone negative by Rs 43,31,21,492/-. Hence we draw attention regarding complete erosion of the net worth of the Company leading to doubtfulness of the going concern assumption of the Company. However, these Financial Statements of the Company have been prepared by the management on going concern basis.
18. The Subsidiary Company has received an interest income of Rs 10,07,877/- on refund of Income Tax in respect of AY 2009-10(relevant to FY 2008-09) this year which has not been taken as income in the Statement of Profit & Loss .Instead this amount remains deducted from the Advance Income Tax, under the head Short Term Loan & Advances in the Assets side of the Balance Sheet. Had the above interest amount been taken as income in the Statement of Profit & Loss, the loss of the Company for the year before tax would have been lower by Rs 10,07,877/-. Consequently, the amount of advance tax under the head Short Term Loans and Advances would have also been reduced by this amount



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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies-Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Key Audit Matters

Key Audit Matter	How the Matter was Addressed in the Audit
<p>Loans – Classification and Provisioning</p> <p>[Refer Note 5.3 to the financial statements, read with the Accounting Policy No. 1(i) of Holding Company]</p> <p>The loans are classified as performing and nonperforming advances (NPA) and provisioning thereon is made in accordance with the Master Direction - Non-Banking Financial Company – Non-Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The classification and provisioning is done by the Company based on the above Directions. The extent of provisioning of NPA under the directions are mainly based on its ageing and recoverability of the underlined security.</p> <p>In the event of any improper application of the directions or consideration of the incorrect value of the security, as the valuation of the security involves high degree of estimation and judgement, the carrying value of the loans could be materially misstated either individually or collectively, and in view of the significance of the amount of short term loans & advances in the financial statements i.e. 36.13% of total assets, the classification of the loans and provisioning thereon has been considered as Key Audit Matter in our audit.</p>	<p>Our Audit Procedure:</p> <p>We obtained an understanding of the Company's software and guidelines and directions of the RBI and the Company's internal instructions and procedures in respect of the loans classification and its provisioning and adopted the following audit procedures:</p> <ul style="list-style-type: none"> • Evaluation and testing of the effectiveness of the key internal control mechanisms with respect to the loans monitoring, identification/ classification, assessment of the loan impairment including testing of relevant data quality etc. • Verification / review of the documentations, operations / performance and monitoring of the loan accounts, on test check basis, to ascertain any overdue, unsatisfactory conduct or weakness in any loan account, to ensure that its classification and provisioning is in accordance with the directions of RBI, and based on the best estimate of the recoverability / valuation of the security. <p>Our Results:</p> <p>The results of our audit process were observed to be adequate and satisfactory considering the materiality of the transactions except as stated in our Note no 7 under the head 'Basis of Qualified Opinion'</p>

Information other than the Consolidated Financial Statements and auditors' report thereon:

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information, compare with the financial statements of the subsidiary and unaudited financial statement of the associate furnished by the management to the extent it relates to these entities and in doing so, place reliance on the work of the other auditor in case of subsidiary and on the work of management in case of associate and consider whether the other information is materially



inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary and associate, is traced from their financial statements as furnished by the other auditor or management.

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

Auditor's Responsibility for the Audit of Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, and makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We considered quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the resulting of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



OTHER MATTER

- a) We did not audit the financial statement of the subsidiary, whose financial statements have been audited by other auditors whose reports have been furnished to us by the management and the financial statements/financial information of the Associate are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respects of subsidiary and Associate, and our report in terms of sub-section(3) and (1) of section 143 of the Act, in so far as it relates to the said subsidiary and associate are based solely on reports of other auditor in the case of subsidiary and on unaudited financial statement in the case of associates as furnished to us.
- b) Based on the unaudited financial statements of Associate Companies provided to us by the management, the reporting company's share of loss in respect of its Associate for the year ended 31st March, 2019 amounts to Rs.4,355/- which has been recognized in the consolidated Statement of Profit and Loss for this year and the same has been deducted from the Cost of Investment in associate company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management

Report on other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that :
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statement;
 - In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far as appears from our examination of those books.
 - The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 except as specified under our paragraph on 'Basis of qualified opinion'
 - On the basis of written representations received from the directors of the parent company as on 31st March, 2019 taken on record by its Board of Directors and report of the statutory auditors of the subsidiary company, none of the directors of Parent company and its subsidiary are disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164(2) of the Act. We do not comment on the qualification of directors of associate in absence of audit report of the associate ;
 - With respect to reporting requirement on the adequacy of the internal financial controls over financial reporting and operating effectiveness of such control , we refer to our separate report in annexure -A which is based on the reports of Holding & Subsidiary. The financial statements of the Associate company are unaudited and hence we do not make any comment on the adequacy of internal control over financial reporting of the associate;
 - With respect to the other matters required to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to explanations given to us the remuneration paid by the parent to its director during the year is in accordance with the provisions of Section 197 of the Act



- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us ;
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer note no.15)
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note no 5.3 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.

14, Princep Street
Kolkata - 700 072
29th May 2019



For BIDASARIA & ASSOCIATES
Chartered Accountants
(FRN: 315101E)

A handwritten signature in black ink, appearing to read "Rajkumar Bidasaria", written over a horizontal line.

RAJKUMAR BIDASARIA
Partner
M.NO.-52251

Re: M/S. SUDHA APPARELS LIMITED(31.03.2019)

Annexure A to the Auditors Report

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

In conjunction with our audit of the Consolidated financial statements of the Company for the year as of and for the year ended March 31, 2019. We have audited the internal financial control over financial reporting of Sudha Apparels Limited (hereinafter referred to as "the Holding Company") and the subsidiary company has been conducted by other auditors whose report have been furnished to us by the management. And no report on the audit of internal financial control over financial reporting of Associate is available.

Management's Responsibility for Internal Financial Controls.

The respective Boards of Directors of the Holding Company, its subsidiary company and associate company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding, and its subsidiary which are companies incorporated in India, based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph and Other Matter paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

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 that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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.

Disclaimer of Opinion

The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated financial statements of the Holding Company, and the disclaimer has affected our opinion on the financial statements of the Group and we have issued a qualified opinion on the financial statements.

Based on corresponding reports of the Auditors of Subsidiary Company, we report that the subsidiary company have an adequate internal financial control system over financial reporting and such internal financial controls were operating effectively.

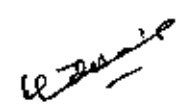
Other Matters

We do not comment on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to associate company as no report on this aspect is made available to us.

14, Princep Street
Kolkata - 700 072
29th May 2019



For BIDASARIA & ASSOCIATES
Chartered Accountants
(FRN: 315101E)


RAJKUMAR BIDASARIA
Partner
M.NO.-52251

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	NOTES	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
EQUITY AND LIABILITIES			
A. Shareholders' Funds			
(a) Share Capital	2	7,270,120	7,270,120
(b) Minority Interest		(147,781,063)	(760,643)
(c) Reserves and Surplus	3	2,530,457,914	2,772,228,513
(d) Money Received Against Share Warrants		-	-
		<u>2,389,946,981</u>	<u>2,776,735,990</u>
B Share Application Money Pending Allotment			
		-	-
C. Non-Current Liabilities			
(a) Long - Term Borrowings	4	-	-
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities	4.1	59,371,848	59,295,176
(d) Long - Term Provisions		-	-
		<u>59,371,848</u>	<u>59,295,176</u>
D. Current Liabilities - Unsecured			
(a) Short -Term Borrowings	5.1	1,691,308,098	1,832,378,374
(b) Trade Payable		-	-
(i) Total outstanding dues of micro enterprises and small enterprises; and		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Other Current Liabilities	5.2	14,913,871	14,711,276
(d) Short-Term Provisions	6.3	601,753,513	63,124,482
Total Current Liabilities		<u>2,307,975,482</u>	<u>1,730,214,132</u>
Total Equity & Liabilities		<u>4,757,294,111</u>	<u>4,568,245,298</u>
ASSETS			
A. Non-Current Assets			
(a) Property, Plant & Equipment			
- Tangible Fixed assets	6	775,708,364	787,680,821
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
- Intangible assets under development		-	-
(b) Non-Current Investments	7	2,386,436,755	1,823,593,020
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans & Advances	8	66,265,649	65,651,337
(e) Other Non Current Assets		-	-
		<u>3,228,410,768</u>	<u>2,687,125,178</u>
B. Current Assets			
(a) Current Investments	9	-	-
(b) Inventories	9.1	259,602,888	-
(c) Trade Receivable	9.2	51,985,818	47,228,849
(d) Cash and Cash Equivalents	9.3	4,918,465	1,134,738,023
(e) Short-Term Loans and Advances	9.4	1,189,967,899	680,058,928
(f) Other Current Assets	9.5	22,420,473	19,092,322
		<u>1,628,883,343</u>	<u>1,881,120,120</u>
Total Assets		<u>4,757,294,111</u>	<u>4,568,245,298</u>

Summary of Significant Accounting Policies followed by the Company is given in Notes - 1
The Accompanying Notes are an Integral Part of Financial Statement.

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 3151D1E

Raj Kumar Bidasaria
Partner
Membership No. 052251



Place : Kolkata
Dated : 29-05-2019

For & on Behalf of the Board

Anup Kumar Mitra
CFO
PAN- AQHPM2681A

M.R. Gang
Director
DIN - 00449709

Savita Jindal
Director
DIN - 00449740

CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	NOTES	Year ended 31.03.2019 Rupees	Year ended 31.03.2018 Rupees
INCOME			
Revenue from Operations	10.1	1,268,320,154	636,364,732
Other Income	10.2	148,467,704	147,215,262
		<u>1,416,787,858</u>	<u>783,579,994</u>
EXPENDITURE			
Purchase of Stock in Trade	11.1	1,372,449,173	361,000,000
Decrease/(Increase) in Stock in Trade	11.2	(259,602,888)	137,500,000
Employees Benefit Expenses	11.3	4,154,081	4,506,433
Finance Cost	11.4	91,508,532	87,239,700
Depreciation / Amortization	6.0	22,807,297	23,878,748
Other Expenses	11.5	10,033,090	8,893,936
Loss on sale of Investment - Net		950,000	167,772,652
Contingent Provision against Standard Assets	5	1,281,331	(258,862)
		<u>1,243,580,816</u>	<u>790,532,607</u>
Profit / (Loss) before exceptional, extraordinary items and tax		173,207,242	(6,952,613)
Exceptional Items			
Provision for Diminution in value of investment		410,237,830	(495,583,442)
Minority Interest		(147,020,410)	25,344,498
Share of loss in Associated Enterprises		4,356	6,700
Provision for Non Performing Assets		107,108,870	(8,333,599)
Profit / (Loss) after exceptional and extraordinary items and before tax		<u>(197,124,403)</u>	<u>471,611,230</u>
Tax Expense			
Income Tax			
- Current Year		42,500,000	55,000,000
- Adjustment of Earlier Year		2,144,196	169,823
Total Tax Expense		<u>44,644,196</u>	<u>55,169,823</u>
Profit / (Loss) from Continuing Operation		<u>(241,768,599)</u>	<u>416,441,407</u>
Earning Per Share (Basic/ Diluted)		(332.55)	572.81

Summary of Significant Accounting Policies followed by the company is given in Notes -1
The Accompanying Notes are an Integral Part of Financial Statement.

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 315101E

Raj Kumar Bidaseria
Partner
Membership No. 052251



Arup Kumar Mitra
CFO
PAN-AQHFM2661A

M.R. Garg
Director
DIN - 00448709

For & on Behalf of the Board

Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019

SUDHA APPARELS LIMITED

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2019

	Year Ended 31.03.2019 Rs.	Year Ended 31.03.2018 Rs.
A. Cash Flow from Operating Activities		
Net Profit before tax and extraordinary items	173,207,242	(6,952,612)
Adjusted for:		
Depreciation	22,807,287	23,878,748
Contingent Provision for Standard Assets	1,281,331	(258,862)
(Profit)/ Loss on Sale of Investments	950,000	167,772,652
Operating Profit before Working Capital Changes	198,245,870	184,439,926
Adjusted for:		
Trade & Other Receivables	(411,354,665)	125,640,008
Inventories	(259,602,888)	137,500,000
Trade Payables & Others	279,057	3,050,393
Cash Generated from operations	(472,432,616)	450,630,327
Direct taxes Paid	(45,018,673)	(49,877,177)
Cash Flow before extraordinary items	(517,451,189)	400,653,150
Extraordinary item		
Net Cash From Operating Activities	A (517,451,189)	400,653,150
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(634,840)	(487,598)
Sale of Fixed Assets	9,995,000	2,129,110
Purchase of Investments	(658,888,090)	(437,789,194)
Sale of Investments	85,095,000	562,546,264
Net Cash from Investing Activities	B (564,432,930)	126,418,582
C. Cash Flow from Financing Activities		
Proceeds / (Reduction) of Short Term Borrowings	(47,937,439)	805,315,376
Net Cash from Financing Activities	C (47,937,439)	605,315,376
Net Increase in Cash & Cash Equivalents (A+B+C)	(1,129,821,558)	1,132,387,108
Opening Balances of Cash and Cash Equivalents	1,134,738,023	2,350,915
Closing Balances of Cash and Cash Equivalents	4,916,465	1,134,738,023
Change in Cash and Cash Equivalents	(1,129,821,558)	1,132,387,108

As per our report of even date attached

For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 315101E

For & on behalf of the Board

Rej Kumar Bidasaria
Partner
Membership No. 052251



Arup Kumar Mitra
CFO
PAN - AQHPM2661A

M.R. Gang
Director
DIN - 00449709

Sevita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019

SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

A. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the companies act, 2013.

B. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to SUDHA APPARELS LIMITED ("the company") and its subsidiary company and associate. The consolidated financial statements have been prepared on the following basis.

- a) The financial statements of the company and its subsidiary company are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21-"consolidated financial Statement".
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) The difference between the proceeds disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated profit and loss statement being the profit or loss on disposal of investment in subsidiary.
- d) Minority interest's share of net profit of consolidated subsidiary is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
- e) Minority interest's share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.
- f) Investment in Associate companies has been accounted under the equity method as per Accounting standard (As) 23-"Accounting for investment in associates in consolidated financial statements".
- g) The company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealized profits and losses resulting from transactions between the company and its associates to the extent of its share, through its consolidated profit and loss statement, to the extent such change is attributable to the associates' profit and loss statement and through its reserves for the balance based on available information.
- h) The difference between the cost of investment in the associates and its share of net assets at the time of acquisition of shares in the associates is identified in the financial statement as Goodwill or capital Reserve as the case may be.
- i) As far as possible, the consolidated financial statement are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.



Sudha Apparels Limited

- C. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investment".
- D. Other significant accounting policies
These are set out under "significant Accounting policies" as given in the company's separate standalone financial statement.



CONSOLIDATED NOTES ON ACCOUNTS FORMING PART OF THE AUDITED FINANCIAL STATEMENT FOR
THE YEAR ENDED 31 ST MARCH, 2019

NOTES - 2 : SHARE CAPITAL

	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
Authorised		
1,000,000 Equity shares of Rs. 10 each	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

Issued, Subscribed and Paid up

	7,270,120	7,270,120
Equity Capital		
727,012 Equity Shares of Rs.10 each fully paid up	7,270,120	7,270,120
	<u>7,270,120</u>	<u>7,270,120</u>

- a) Of the above Shares 527,012 Equity Shares were allotted as fully paid up pursuant to scheme of amalgamation without payment being received in cash
- b) Reconcillation of Shares Outstanding at the beginning and end of the year

SHARE CAPITAL

Equity Shares of Rs. 10 each fully paid up

Particulars	As at 31.03.2019		As at 31.03.2018	
	Nos.	Rupees	Nos.	Rupees
At the beginning of Year	727,012	7,270,120	727,012	7,270,120
Add - Addition during the Year	-	-	-	-
Less - Reduction during the Year	-	-	-	-
At the end of the Year	727,012	7,270,120	727,012	7,270,120

- c) Equity shares holders have right to receive dividend proposed by the Board of Directors, subject to approval of shareholders at the General Meeting.
- d) Equity shareholders have no right to repayment of capital except, distribution of surplus assets on liquidation.
- e) List of persons holding more than 5% equity shares of Rs 10/- each of the company:

Name of Share-Holders	As at 31.03.2019		As at 31.03.2018	
	Nos.	%	Nos.	%
1. Jindal Global Finance & Investment Ltd.	107,416	14.77	107,416	14.77
2. Flaki Dealcom Ltd.	35,761	4.92	35,761	4.92
3. Pushpanjali Investrade Pvt Ltd.	70,000	9.63	70,000	9.63
4. Dharam Pal Jindal	69,900	9.61	69,900	9.61
5. Savita Jindal	106,662	14.67	106,662	14.67
6. Saket Jindal	70,000	9.63	70,000	9.63
7. Raghav Jindal	145,123	19.96	145,123	19.96



SUDHA APPARELS LIMITED

Notes forming part of the Consolidated Financial Statements

NOTES - 3 : RESERVE & SURPLUS	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
Particulars		
Securities Premium		
3.1 Capital Reserve		
As per last Balance Sheet	51,581,498	51,581,498
On Account of Consolidation	21,866,135	21,866,135
3.2 Other Reserves		
a) General Reserve		
As per last Balance Sheet	82,748,597	82,748,597
Add : Addition during the year	-	-
	<u>82,748,597</u>	<u>82,748,597</u>
b) Statutory Reserve		
As per last Balance Sheet	605,381,028	531,878,200
Add : Addition during the year	8,421,600	73,502,828
	<u>613,802,628</u>	<u>605,381,028</u>
3.3 Surplus In Statement of Profit & Loss A/c		
As per last Balance sheet	2,010,651,257	1,887,712,876
Profit/(Loss) during the Year	(241,768,599)	418,441,407
Less - Transfer to Statutory Reserve	8,421,600	73,502,828
	<u>(250,190,199)</u>	<u>342,938,581</u>
Less - Transfer to General Reserve		
Current Year Surplus / (Deficit)	<u>(250,190,199)</u>	<u>342,938,581</u>
Closing Surplus/(Deficit)	<u>1,760,461,058</u>	<u>2,010,651,257</u>
Total	<u>2,530,457,914</u>	<u>2,772,226,513</u>



SUDHA APPARELS LIMITED

NOTES - 4 : NON - CURRENT LIABILITIES

4.1 Other Long Term Liabilities		
Others- Security Deposit	57,802,563	57,802,563
4.2 Long-Term Provisions		
For Employees Benefits	1,569,085	1,492,613
	<u>59,371,648</u>	<u>59,295,176</u>

NOTES - 5 : CURRENT LIABILITIES

5.1 Short-Term Borrowings (Unsecured)		
Loans Repayable on Demand	1,691,308,098	1,632,378,374
Loans & Advances from Related Parties		
Loan from Holding Company	-	-
Advance from Holding Company	-	-
	<u>1,691,308,098</u>	<u>1,632,378,374</u>
5.2 Other Current Liabilities		
Liabilities for Expenses	3,235,196	3,299,092
Liabilities for Statutory Dues	7,686,917	8,703,188
Liabilities for Other Finance	<u>3,981,759</u>	<u>4,708,998</u>
	14,913,871	14,711,278
5.3 Short Term Provisions		
5.3A Contingent Provision for Standard Assets		
Opening Balance	2,662,085	2,920,947
Addition during the year	<u>1,281,331</u>	<u>(258,862)</u>
	3,943,416	2,662,085
<p>The above provision is made @ 0.25% of Standard Assets on the reporting date as per RBI guidelines applicable to NBFC.</p>		
5.3B Provision for Diminution in value of Investment		
Opening Balance	80,462,397	576,045,839
Addition during the year	<u>410,237,830</u>	<u>(495,583,442)</u>
	490,700,227	80,462,397
5.3C Provision for Non Performing Assets		
Opening Balance	-	8,333,598
Addition / (Adjusted) during the year	<u>107,109,870</u>	<u>(8,333,598)</u>
	107,109,870	-
	<u>601,753,513</u>	<u>63,124,482</u>
Total Current Liabilities	<u>2,307,975,482</u>	<u>1,730,214,132</u>



SUDHA APPARELS LIMITED

NOTE: 6 FIXED ASSETS
(Notes Forming Part of Consolidated Financial Statement as on 31.03.19)

TANGIBLE ASSETS DESCRIPTION	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	AS AT 01.04.2018	AS AT 31.03.2019	AS AT 31.03.2018	FOR THE YEAR	SALES/ ADJUSTMENTS	UPTO 31.03.2018	UPTO 31.03.2019	AS AT 31.03.2018	AS AT 31.03.2019
Land - Gurgaon	39,682,800	39,682,800	-	-	-	-	-	39,682,800	39,682,800
Land - Hissar	93,961,803	93,961,803	-	-	-	-	-	93,961,803	93,961,803
Land - Kolkata	214,396,852	214,396,852	-	-	-	-	-	214,396,852	214,396,852
Building - Gurgaon	71,496,838	71,496,838	-	2,317,133	-	33,138,631	35,455,784	36,041,074	38,358,207
Building - Rented Mall	592,145,673	592,145,673	-	19,805,098	-	186,746,526	206,661,624	385,494,048	405,399,147
Building - Kolkata	6,305,568	6,305,568	-	212,097	-	1,986,871	2,197,968	4,107,590	4,319,687
Lift	3,363,486	3,363,486	-	-	-	3,195,312	3,195,312	168,174	168,174
Office Equipments	59,924	638,784	578,840	150,110	-	56,932	207,042	431,722	2,982
Computer	69,285	1,25,285	55,000	4,636	-	58,419	63,055	62,230	10,866
Solar Power Panel	1,518,050	1,518,050	-	108,083	-	360,232	488,325	1,029,725	1,137,818
Furniture & Fixtures	533,614	533,614	-	110,130	-	91,139	201,269	332,345	442,475
Total	1,023,533,883	1,024,168,723	624,840	22,807,297	-	228,653,062	248,450,359	775,708,364	797,880,821
Previous Year	1,025,175,395	1,023,533,883	487,508	23,878,748	-	201,774,314	225,653,062	797,880,821	



Notes forming part of the Consolidated Financial Statement

NOTES - 7 : NON - CURRENT INVESTMENTS (Fully paid up unless otherwise specified)	As At 31.03.2019		As At 31.03.2018	
	Numbers	Rupees	Numbers	Rupees
NON - TRADE				
In Associated Enterprises				
Cost of Acquisition of 1196000 equity Shares of Rs. 10 each of Kushagra Infrastructure Pvt. Limited		36,059,450		36,059,450
Add / (Loss) : Group share of Profit or / (Loss)		(1,128,958)		(1,124,603)
		<u>34,930,492</u>		<u>34,934,847</u>
i) Quoted				
Equity Shares				
Rs. 5 each of Jindal Drilling & Industries Limited	7,279,350	1,143,401,095	7,279,350	1,143,401,095
Rs. 5 each of Maharashtra Seamless Limited	953,039	432,858,449	305,000	128,553,359
Rs. 10 each of Haryana Capfin Limited	1,016,059	43,608,316	1,016,059	43,608,316
Rs. 10 each of Parsvnath Developers Limited	1,000	48,827	1,000	48,827
Rs. 10 each of Videocon Industries Limited	100	17,441	100	17,441
Rs. 10 each of GOL Offshore Limited	1,500	622,765	1,500	622,765
Rs. 1 each of Uttam Value Steel Limited	299,720	308,977	299,720	308,977
Rs. 1 each of Udyod Steel Industries Limited	40,761	656,575	40,761	656,575
Rs. 2 each of Aban Offshore Limited	100	47,233	100	47,233
Rs. 10 each of Hindustan Oil Exploration Co. Limited	2,000	470,786	2,000	470,786
Rs. 10 each of Selan Exploration Technology Limited	1,100	435,456	1,100	435,456
Rs. 1 each of Jindal Steel & Power Limited	18,466	9,873,849	18,466	9,873,849
Rs. 10 each of SYOGL Oil Gas And Energy Limited	1,500	604,728	1,500	604,728
Rs. 10 each of Hexa Tradex Limited	2,600	95,156	2,600	95,156
Rs. 10 each of IDBI Bank Limited	3,000	358,085	3,000	358,085
Rs. 1 each of NMDC Limited	5,000	1,177,641	5,000	1,177,641
Rs. 5 each of ISMT Limited	10	464	10	464
Rs. 1 each of JSW Steel Limited	10	1,111	10	1,111
ii) Un-Quoted				
a) Equity Shares				
Rs. 10 each of Dytap Commodore Limited	85,700	861,240	85,700	861,240
Rs. 10 each of Jindal Global Finance & Investment Limit	700,100	2,748,505	700,100	2,748,505
Rs. 10 each of Jindal Pipes Limited	5,301,740	44,447,909	5,301,740	44,447,909
Rs. 10 each of Sparterk Dealcomm Limited	81,000	812,000	81,000	812,000
Rs. 10 each of Whitepin Tie -Up Limited	80,000	805,000	80,000	805,000
Rs. 10 each of Jindal Pe-x Tubes Pvt. Limited	200,000	2,000,000	200,000	2,000,000
Rs. 10 each of Jindal Expodra Limited	-	-	19,000	190,000
Rs. 10 each of Neptune Builtech Pvt. Limited	9,810	98,405	9,810	98,405
Rs. 10 each of Sigma Infrastructure Pvt. Limited	9,800	98,415	9,800	98,415
Rs. 10 each of Jaguar International Limited	198,000	1,251,000	198,000	1,251,000
Rs. 10 each of Darpan Dealcom Limited	199,500	1,985,715	199,500	1,985,715
Rs. 10 each of Diamond Dealtrade Limited	8,105,000	81,040,120	8,105,000	81,040,120
Rs. 10 each of JCO Gas Pipe Limited	-	-	990,000	9,900,000
b) Preference Shares				
Rs. 10 each of Global Jindal FinInvest Limited	-	-	250,000	25,000,000
Rs. 10 each of Jindal Global Finance & Investment Limit	-	-	200,000	10,000,000
Rs. 10 each of Darpan Dealcom Limited	7,505,000	75,050,000	7,505,000	75,050,000
c) Bonds				
Bank of India SR-I Perpetual	-	-	60	50,950,000
Punjab & Sind Bank Perpetual	150	151,140,000	150	151,140,000
UP Power Corpn Ltd.	200	201,900,000	-	-
Yes Bank Ltd.	150	152,685,000	-	-
		<u>2,385,438,756</u>		<u>1,823,593,020</u>
Aggregate Value of Unquoted Investments		136,148,309		181,238,309
Aggregate Value of Quoted Investments		1,634,581,379		1,330,278,289
Market Value of Quoted Investments		1,238,085,480		1,264,354,025

Notes :

All investment in shares of Private Limited Companies are subject to restrictions on transfer of shares as contained in the Articles of Association of respective company.

* Investment written off due to strike off by MCA



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

	As At 31.03.2019 Rupees	As At 31.03.2018 Rupees
NOTE - 8 : LONG TERM LOANS & ADVANCES (Unsecured, Considered good)		
8.1 Capital Advances	64,982,387	64,982,387
8.2 Security Deposit	1,283,262	688,950
	<u>66,265,649</u>	<u>65,651,337</u>
NOTES - 9 : CURRENT ASSETS		
9.1 INVENTORIES		
Stock in Trade - Mutual Fund Units	<u>259,602,888</u>	-
	<u>259,602,888</u>	-
9.2 TRADE RECEIVABLES (Unsecured, Considered good)		
Outstanding for a period exceeding six months Other Receivable	51,985,618	47,229,849
	<u>51,985,618</u>	<u>47,229,849</u>
9.3 CASH AND CASH EQUIVALENTS		
Cash on hand	44,325	127,372
Balances with Banks		
- In Current Accounts	4,872,140	4,610,651
- In Fixed Deposits	-	1,130,000,000
	<u>4,916,465</u>	<u>1,134,738,023</u>
9.4 SHORT TERM LOANS AND ADVANCES (Unsecured)		
Loans & Advances to Related Parties		
To Subsidiary Companies		
Loans	-	-
Advances	-	-
To associates Companies - Loans	7,109,870	7,109,870
Loans to Others	1,141,525,837	631,135,087
Other Short-Term Advances	8,734,415	9,601,669
Advance Income Tax (Net of Provision Rs.375,282,161/-, Previous Year Rs. 302,289,181/-)	32,587,777	32,213,400
	<u>1,189,957,899</u>	<u>680,059,926</u>
9.5 OTHER CURRENT ASSETS		
Prepaid Expenses	78,282	78,437
Interest Receivable	22,342,191	19,015,885
	<u>22,420,473</u>	<u>19,092,322</u>
Total Current Assets	<u>1,528,503,343</u>	<u>1,881,120,120</u>

In the opinion of Board and to the best of their knowledge and belief, the value on realisation of above current assets, except doubtful loan of Rs.7,109,870/- indicated above, would, in ordinary course of business, be not less than the amount at which they are stated.



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements	Year ended 31.03.2019 Rupees	Year ended 31.03.2018 Rupees
NOTES - 10 : INCOME		
10.1 REVENUE FROM OPERATIONS		
Sale of Mutual Fund Units	1,130,482,149	507,356,621
Dividend - on Non current Investment	17,703,454	7,822,936
Interest (TDS Rs. 9,264,580/-, Previous Year Rs. 7,032,414/-)	54,731,387	121,485,175
Interest on Bonds	49,781,184	-
Profit on sale of Shares - Net	16,842,000	-
Total Revenue from operations	1,268,320,154	836,364,732
10.2 OTHER OPERATING INCOME		
Rent (TDS Rs. 13,804,634/-, Previous Year Rs.13,557,676/-)	138,864,860	136,828,330
Profit from Agriculture activity (Net)	-	10,384,815
Agricultural Rent	350,000	-
Liabilities Written Off	8,425	-
Other Income	-	-
Profit on Acquisition of Land	9,247,419	-
Profit on Transfer of rights in Land property - Net	-	4,117
Total other income	148,467,704	147,215,262
Total Income	1,416,787,858	783,579,994
NOTE - 11 : EXPENSES		
11.1 Purchases of Stock in Trade		
Item - Mutual Fund Units	1,372,449,173	361,000,000
11.2 Decrease/(Increase) in Stock in Trade		
Item - Mutual Fund Units	-	-
Opening Stock	-	137,500,000
Less - Closing Stock	259,802,888	-
Decrease/(Increase) in Stock in Trade	(259,802,888)	137,500,000
11.3 EMPLOYEES' BENEFIT EXPENSES		
Salaries & Other Allowances	4,019,281	4,336,069
Staff Welfare Expenses	134,800	170,364
	4,154,081	4,506,433
11.4 INTEREST & FINANCE COSTS		
Interest on Unsecured Short Term Loan	91,607,027	87,077,160
Bank Charges	1,505	182,640
	91,508,532	87,259,790
11.5 OTHER EXPENSES		
D.P. Charges	34,886	11,999
Rent	98,918	196,407
Rates & Taxes	3,267,988	181,148
Postage & Telephone	129,246	82,802
Printing & Stationery	8,749	13,073
Fee & Subscription	31,800	42,690
Travelling & Conveyance	474,473	361,654
Repair Office Buildings	1,994,218	1,278,575
Repair & Maintenance- Others	718,759	-
Legal & Professional Charges	1,597,360	537,945
Investment Written Off	190,000	-
Insurance	170,076	193,393
CSR Expenses	1,000,000	5,000,000
Internal Audit Fee	9,280	11,500
Advertisement & Publicity	38,924	25,687
Auditors' Remuneration :	-	-
- Audit Fee	118,000	118,000
- Tax Audit Fee	-	7,080
- Certification / others services	23,600	11,800
Miscellaneous Expenses	137,028	839,833
Total	10,033,090	8,893,936



SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements	Year ended 31.03.2019 <u>Rupees</u>	Year ended 31.03.2018 <u>Rupees</u>
NOTE : 12 - Earning Per Share		
Net Profit/(Loss) after Tax	(241,768,599)	416,441,407
Total Number of Equity Shares	727,012	727,012
Earning Per Equity - Share Basic & Diluted	(332.55)	572.61
NOTE : 13 - DEFERRED TAX ASSETS/LIABILITIES		
For Depreciation of Fixed Assets	42,816,133	36,398,928
For Expenses Allowable on Payment	509,090	484,278
For Unabsorbed Capital Losses	22,438,209	24,559,034
Total Deferred Tax Asset/(Liability) on Balance Sheet Date	<u>65,763,432</u>	<u>61,442,240</u>
Less Opening Balance	<u>61,452,249</u>	<u>52,693,953</u>
Deferred Tax Income/(Expense) for the year	<u>4,311,192</u>	<u>8,748,287</u>
In view of uncertainty of realisation ; the above Deferred Tax Assets/Income has not been recognised in the Financial Statements.		
NOTE : 14 - RELATED PARTY DISCLOSURE		
a) Name of Key Managerial Person		
Mr. M.R. Garg - Wholetime Director Mr. Anup Kumar Mitra - CFO Mr. Rakesh Gupta - Company Secretary		
(b) Enterprise where control exists		
Subsidiary Crishpark Vincom Limited (65.88%)		
(c) Other Related Parties with whom Transactions have taken place during the Year		
Associate Company Kushagra Infrastructure Pvt. Limited		
Other Related Concern/Party Smt. Savita Jindal (Director)		
Transactions with Related Party during the year		
Loan to Subsidiary Company (closing balance)	270,980,164	377,847,327
Other Advance to Subsidiary Company	100,000,000	100,000,000
Loan to Associates Company (closing balance)	7,109,870	7,109,870
Payment to Other Related Party (Savita Jindal)		
a. Rent Paid	97,500	97,500
b. Other Services	97,500	99,897
Managerial Remuneration - Mr. M.R. Garg - Wholetime Director	1,281,600	1,287,597
Balance Payable by the Company to Related Party Related Party (Smt. Savita Jindal)		
Interest Income from Subsidiary, Associate & Other related party (No Interest is provided on loan to Associated Company for being NPA)	24,814,263	28,875,910
NOTE - 15 CONTINGENT LIABILITIES NOT ACCOUNTED FOR		
15.1 Income Tax Demand under Appeal		
A.Y. 2009-2010 F.Y. 2008-2009	453,410	453,410
A.Y. 2013-2014 F.Y. 2012-2013	380,280	380,280
Subsidiary (A.Y. 2012-12, F.Y. 2011-12)	416,800	416,800
	<u>1,250,490</u>	<u>1,250,490</u>
15.2 In respect of Bank Guarantee Issued by Indusind Bank Limited in of New Town Electric Supply Company Limited		
	13,684,350	13,684,350



Notes forming part of the Financial Statements

15.3 SERVICE TAX LIABILITY

The Company has not provided for its Service Tax liability on "Renting of Immovable Property" to some tenants for the period from October, 2010 to September, 2011 amounting to Rs. 76,35,432/- which has been disputed by these tenants through their association before Honble Supreme Court, of which 50% of the arrear dues amounting to Rs. 38,17,716/- has been directly deposited by these tenants with the Service Tax Authority under the direction from the Apex Court and for the balance 50% of Service Tax dues, the final adjudication of the Apex Court is awaited. The Company, however, holds written commitment from such tenants for reimbursement of all liabilities arising due to non-payment of Service Tax by the Company.

NOTE:- 16 NOTES ON CAPITAL ADVANCE

Capital Advances of Rs.64,982,387/- (Previous Year Rs. 64,982,387/-) under Note no. - 8 represent advances made to various parties (Local/Agriculturist) for purchases of various plots of land at different locations in the state of Maharashtra on behalf of the Company for investment purpose. Although the company holds original title deeds in respect of all such land purchased by these parties & taken possession of the land properties, the final conveyance in favour of company is pending due to restrictions imposed by the local authorities. Suitable appropriation of such capital advances would be made upon execution of conveyance deeds/settlement of accounts with all these parties upon disposal of the same.

NOTE:- 17 SEGMENT REPORTING

The Company has identified two reportable primary Business Segment on the basis of risk & return involved, which are Financing & Investment and Renting of Property.

Segment Revenue, Results & other Information

Particulars	Finance & Investment	Renting of Property	Others	Total
Income from operations	1,268,320,154 (663,040,642)	- (-)	9,602,844 (-)	1,277,922,998 (663,040,642)
Other operating Income	- (-)	138,884,860 (136,826,330)	- (10,388,932)	138,884,860 (147,215,262)
Segment Results	1,268,320,154 (663,040,642)	138,884,860 (136,826,330)	9,602,844 (10,388,932)	1,416,797,858 (810,255,904)
Finance cost	91,508,532 (113,915,610)	- (-)	- (-)	91,508,532 (113,915,610)
Other expenditure	1,127,776,626 (680,848,212)	24,299,459 (22,846,694)	- (-)	1,152,072,084 (703,292,906)
Profit / (Loss) before Tax	49,035,998 (131,521,180)	114,588,402 (114,179,636)	9,602,844 (10,388,932)	173,207,242 (8,952,613)
Segment Assets	4,029,693,718 (3,818,539,016)	727,600,393 (749,706,282)	- (-)	4,757,294,111 (4,568,245,298)
Segment Liability	2,309,644,567 (1,731,706,745)	57,802,563 (57,802,563)	- (-)	2,367,347,130 (1,789,509,308)
Capital employed	1,720,149,151 (2,088,832,271)	669,797,830 (691,903,719)	- (-)	2,388,946,981 (2,778,735,990)



Notes forming part of the Financial Statements

NOTE - 18. RESERVE BANK OF INDIA REGISTERED NON BANKING FINANCE COMPANY

The company is registered with Reserve Bank of India as Non Banking Finance Company Vide Registration No - 0.5.02275 dtd 16.05.1998 and has been complying with prudential Norms prescribed by RBI.

Additional particulars as required in terms of paragraph 13 of Non Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding Companies) Prudential Norms (Reserve bank) Directions, 2015 separately attached as Annexure - 1.

NOTE - 19


Previous years figures have been regrouped / rearranged where ever necessary.

The Accompanying Notes form an integral part of the Financial Statements.

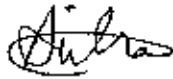
As per our report of even date attached

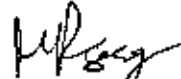
For BIDASARIA & ASSOCIATES
Chartered Accountants
Firm Registration No. 315101E

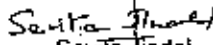
For & on Behalf of the Board


Raj Kumar Bidasaria
Partner
Membership No. 052251




Arup Kumar Mitra
CFO
PAN-AQHFM2661A


M.R. Garg
Director
DIN - 00449709


Savita Jindal
Director
DIN - 00449740

Place : Kolkata
Dated : 29-05-2019

SUDHA APPARELS LIMITED

CIN: L17299WB1981PLC033331

Registered Office: 2/5 Sarat Bose Road, Sukh Sagar,

Flat No.8A, 8th Floor, Kolkata-700 020, Phone: 033-30522053

Website: <http://www.sudhaapparels.com> Email: secretarial@sudhaapparels.com

NOTICE

Notice is hereby given that 38th Annual General Meeting of Sudha Apparels Limited will be held on Friday, the 27th September, 2019 at 11.30 A.M. at the Registered Office of the Company at 2/5 Sarat Bose Road, Sukh Sagar, Flat No.8A, 8th Floor, Kolkata-700 020, to transact the following business:-

ORDINARY BUSINESS

- 1 To consider and adopt the (a) Audited Financial Statements for the financial year ended 31st March, 2019 together with the Reports of Directors and Auditors thereon and (b) the Audited Consolidated Financial Statements for the year ended 31st March, 2019 together with the Report of Auditors thereon and in this regard to pass the following resolution as ordinary resolution(s):

(a) "RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Directors and Auditors thereon be and are hereby considered and adopted "

(b) "RESOLVED THAT the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Auditors thereon be and are hereby considered and adopted."

- 2 To appoint a Director in place of Mr. Mangat Ram Garg, who retires by rotation and being eligible, offers himself for re-appointment and in this regard to pass the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Mangat Ram Garg (DIN 00449709), who retires by rotation and being eligible, offers himself for re-appointment be and is hereby re-appointed as Director of the Company."

SPECIAL BUSINESS

3. To consider, and if thought fit, the following resolution as an ordinary resolution:

"RESOLVED THAT Shri Sunil Gautam (DIN 08125576), who was appointed as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2013 and holds office upto the date of this Annual General Meeting and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member, proposing his candidature be and is hereby appointed as a Director of the Company."

4. To consider, and if thought fit, the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 or any statutory modifications(s) or re-enactment thereof, approval of the members of the Company be and is hereby accorded to the appointment and payment of remuneration to Shri Sunil Gautam (DIN 08125576) as Whole time Director of the Company for a period of 3 (Three years) with

effect from 1st June, 2019 on the terms and conditions set out herein with liberty to the Board of Directors to alter and vary the terms and conditions and/or remuneration, subject to the same not exceeding the limits specified in schedule V to the Companies Act, 2013, or any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto as may be agreed to between the Board and Shri Sunil Gautam.

SALARY

Rs. 30837/- per month in the grade of Rs. 30,837-60,000 per month.

PERQUISITES

I. The Whole Time Director shall be entitled to perquisites & benefits like furnished/non-furnished accommodation or house rent allowance in lieu thereof, leave travel concession for self & family, medical and personal accident insurance, education allowance, other allowances, bonus/ex-gratia etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable.

II. The Whole Time Director shall be entitled to Gratuity, encashment of earned leave at the end of the tenure, as per the rules of the Company, and these shall not be included in the computation of perquisites.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time.

OTHER TERMS

I. The Whole Time Director shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.

II. The Whole Time Director shall be entitled to reimbursement of travelling and all other expenses incurred in the course of the Company's business.

III. The appointment may be terminated by the Company or by the Whole Time Director by giving not less than three month's prior notice.

5. To consider, and if thought fit, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as may be amended from time to time, Ms. Roma Kumar (DIN: 02194012), be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years commencing from 8th August, 2019."

6. To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT, in accordance with Section 63 and other applicable provisions of the Companies Act, 2013, read with Rule 14 of the Companies (Share Capital & Debentures) Rules, 2014, the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board of Directors (hereinafter referred to as 'The Board', which expression shall be deemed to include a committee of directors duly authorised in this behalf) of the Company and subject to the regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and applicable Regulatory Authorities, and such permissions, sanctions and approvals as may be required in this regard, consent of the Members be and is hereby accorded to the Board for capitalization of such sum standing to the credit of securities premium/free reserves of the Company, as may be considered necessary by the Board, for the purpose of issuance of bonus shares of Re.10/- (Rupee ten only) each, credited as fully paid-up shares

to the Public/Non-promoters equity shareholders of the Company, whose names appear in the Register of Members maintained by the Company's Registrars and Transfer Agents / List of Beneficial Owners, as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ('record date') as may be fixed in this regard by the Board, in the proportion of 2 (Two) equity share for every 5 (Five) existing equity share held by such Members.

RESOLVED FURTHER THAT, the Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up equity shares of the Company as existing on the 'record date' (as determined by the Board) and shall always be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit "

7. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company for related party transaction(s) with Pushpanjali Investrade Private Ltd. for providing Loan, as detailed in the Explanatory Statement to the Notice."

8. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company for related party transaction(s) with Gautam Fin-Invest Private Ltd. for providing Loan, as detailed in the Explanatory Statement to the Notice."

9. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company for related party transaction(s) with Sigma Infrastructure Private Ltd. for providing Loan, as detailed in the Explanatory Statement to the Notice."

10. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company, be and is hereby accorded to the Board of Directors of the Company for related party transaction(s) with Crishpark Vincom Ltd. for providing Loan, as detailed in the Explanatory Statement to the Notice."

11. To consider and if thought fit, pass the following resolution as a **special resolution**:
"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any amendment thereto or re-enactment thereof), the existing Clause III (B) and Clause III (C) of the Memorandum of Association be and are hereby amended as follows:

By substituting the heading of Clause III (B) "Objects Incidental or Ancillary to the attainment of the Main Objects are" with the heading. "Matters which are necessary for furtherance of objects specified in Clause III(A) are:-"

By substituting the existing Clause III (B) 5. with the following new clause III(B)5.:
To amalgamate with any other company having objects altogether or in part similar to those of this Company subject to provisions of the Companies Act, 2013

By substituting the existing Clause III (B) 12 a) with the following new clause III(B)12 a):
To borrow or take loans from individuals, firm, companies, corporations, financing houses, government and semi government institutions and to secure repayment thereof in such manner as may be thought fit subject to the provisions of the Companies Act, 2013.

By deleting the Clause III (C) THE OTHER OBJECTS FOR WHICH THE COMPANY IS ESTABLISHED ARE:-

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all requisite, incidental, consequential and necessary steps to implement the above said resolution and to do all such acts, deeds, matter and things that may be necessary, expedient or incidental to give effect to this resolution."

12. To consider and if thought fit, pass the following resolution as a **special resolution**:
"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any amendment thereto or re-enactment thereof), the existing Clause IV of the Memorandum of Association be and is hereby substituted with the following new clause IV :

"The liability of the Members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them "

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all requisite, incidental, consequential and necessary steps to implement the above said resolution and to do all such acts, deeds, matter and things that may be necessary, expedient or incidental to give effect to this resolution."

13. To consider and if thought fit, pass the following resolution as a **special resolution**:
"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any amendment thereto or re-enactment thereof), the approval of members of the company be and is hereby accorded to the adoption of the new set of Articles of Association, a copy of which is available for inspection at the registered office of the Company and also available on the website of the Company <http://www.sudhaapparels.com> in substitution and exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all requisite, incidental, consequential and necessary steps to implement the above said resolution and to do all such acts, deeds, matter and things that may be necessary, expedient or incidental to give effect to this resolution."

Place Gurgaon
Dated. 8th August, 2019

By Order of the Board

RAJESH GUPTA
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Form of Proxy is separately annexed. The instrument of Proxy, in order to be effective must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of companies/bodies corporate must be supported by an appropriate resolution/authority as applicable.

A person can act as a proxy on behalf of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person and shareholder.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business is annexed hereto.
3. Members/Proxies attending the meeting are requested to bring their copy of the Annual Report for reference at the meeting and also the Attendance Slip duly filled in for attending the meeting.
4. Members desirous of getting any information in respect of Accounts of the Company are requested to send their queries in writing to the Company at its Registered Office so as to reach at least 7 days before the date of the meeting so that the required information can be made available at the meeting.
5. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment.

Name of the Director	Shri Mangal Ram Garg	Shri Sunil Gautam	Ms. Roma Kumar
Age	62 Years	56 Years	56 Years
Qualification	B.com, C.A.	B.com	Ph.D
Brief Profile Expertise in specific functional area	Wide experience in the field of Finance and Accounts	Wide experience in the field of Finance & Accounts	Wide experience as Psychologist and Sr. Consultant
Terms and conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013 Shri Shrikant Ladia is liable to retire by rotation	As per resolution no. 4 of the notice read with Explanatory Statement thereto Shri Sunil Gautam is proposed to be appointed as Whole-time Director	As per resolution no. 5 of the notice read with Explanatory Statement thereto Ms. Roma Kumar is proposed to be appointed as Independent Director
Remuneration last drawn (including sitting fees, if any)	For remuneration details, please refer Corporate Governance Report	N.A.	N.A.
Date of first appointment on the Board	01.07.2014	01.06.2019	08.08.2019
Shareholding in the Company as on March 31, 2019	Nil	Nil	Nil
Inter-se relationship with other Directors	None	None	None
No. of meetings of the Board attended during the financial year (2018-19)	Please refer Corporate Governance Report	N.A.	N.A.
Directorship of other Companies as	1. Marine Oil &	1. Liberty General	1. Rocke Talk India

on 31 st March, 2019	Gas Pvt. Ltd. 2. Odd & Even Trades & Finance Ltd. 3. Crishpark Vincom Ltd. 4. Neptune Buildtech Pvt. Ltd.	Insurance Ltd.	Pvt. Ltd. 2. Jango Banana India Pvt. Ltd. 3. Maharashtra Seamless Ltd
Chairman/ Member of Committee of other Companies	Nil	Nil	Chairperson: Stakeholders Relationship Committee of Maharashtra- Seamless Limited Member: Nomination & Remuneration CSR Committee of Maharashtra Seamless Ltd.

6. In case of joint holders attending the meeting, only such joint holder who is higher in order of names recorded in the Register of Members will be entitled to vote.
7. Relevant documents referred to in the accompanying notice are open by the members for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on any working day upto the date of the Annual General Meeting and also at the meeting.
8. Pursuant to Section 101 of the Companies Act, 2013 and rules made thereunder, the companies are allowed to send communication to shareholders electronically. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Reports, Notices, Circulars, etc from the Company electronically.

9. Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

The Company has approached NSDL for providing e-voting services through its e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or from the website of company i.e. <https://www.sudhaapparels.com>.

The e-voting period commences on September 24, 2019 (9:00 am) and ends on September 26, 2019 (5:00 pm). During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 20th September, 2019. Any person, who

acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 20th September, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Registrar and Transfer Agent (RTA) of the Company at rtat@alankit.com

The facility for voting through remote e-voting / ballot paper / Poling Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details will be as per details given below:
For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
- a) For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
- b) For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
 - a. Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail rashmico@icai.org to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

Other information:

- c Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.

- c. It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 3

Shri Sunil Gautam was co-opted as an Additional Director of the Company on 1st June, 2019. Pursuant to Section 161 of the Companies Act, 2013, he holds office upto the date of the ensuing Annual General Meeting.

The Company has received a notice from a member, in writing under Section 160 of the Act, proposing the candidature of Shri Sunil Gautam as Director of the Company. He is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director of the Company.

Except Shri Sunil Gautam and his relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution.

The Board recommends the resolutions as set out in item No.3 of the Notice for your approval.

Item no. 4

The Board of Directors of the Company has appointed Shri Sunil Gautam, as Whole-time Director of the Company for a period of 3 (Three) years from 1st June, 2019 on the terms and conditions including remuneration as contained in the resolution.

Pursuant to the provisions of the Companies Act, 2013 read with Schedule V of the said Act, the approval of members is required to be obtained for payment of remuneration to Shri Sunil Gautam as Whole time Director

Except Shri Sunil Gautam and his relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution.

The Board recommends the resolutions as set out in item No.4 of the Notice for your approval.

Item no. 5

The Board of Directors of the Company at its meeting held on 8th August, 2019 has appointed Ms. Roma Kumar as Independent Director of the Company for a period of five years, subject to the approval of the members in general meeting.

The Company has received notice, in writing under Section 160 of the Act, proposing the candidature of Ms. Roma Kumar as Independent Director of the Company. She is not disqualified, in terms of Section 164 of the Act and has given her consent to act as Director of the Company. The Company has also received declaration from her that she meets with the criteria of independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A copy of her letter of appointment as Independent Director, setting out the terms and conditions is available for inspection by the Members at the registered office of the Company on all working days between 10.00 A.M. and 1.00 P.M. upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel and their relatives are thereof other than Ms. Rama Kumar and her relatives are concerned or interested in the resolution for his appointment.

The Board recommends the resolutions as set out in item No.5 of the Notice for your approval.

Item no. 6

The equity shares of the Company are listed on the Calcutta Stock Exchange. On 29.08.2019 Flakt Dealcomm Limited became the promoter group company of Sudha Apparels Limited on allotment of shares by Flakt Dealcomm Limited to the shareholders of Dytop Commodal Limited consequent to implementation of the Scheme of Demerger approved by Hon'ble National Company Law Tribunal (NCLT), Kolkata. Existing shareholding of Flakt Dealcomm Limited in Sudha Apparels Limited is 35,761 Equity Shares (4.92%). Consequently the promoters holding has increased from 73.49% to 78.41% and public shareholding decreased to 21.59%.

As per Regulation 38 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015, every listed company is required to comply with the minimum public shareholding of 25% as required under Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957.

In order to increase public shareholding holding to minimum, as per Securities Contracts (Regulation) Rules, 1957, the Board of Directors of the Company at their meeting held on 8th August, 2019, considered it desirable to recommend issue of Bonus shares in the ratio of new two equity shares for every five existing equity shares to public/non-promoters shareholders, subject to approval of the shareholders. The issue of Bonus shares by capitalization of reserves is authorised by the existing Articles of Association of the Company as well as the proposed amended Articles of Association of the Company in conformity with the Companies Act, 2013.

None of the Directors / Key Managerial Personnel or their relatives is concerned or interested in the resolution

The Board recommends the resolutions as set out in item No. 6 of the Notice for your approval.

Item No. 7:

During the year ended 31st March, 2019, the Company has entered into material related party transactions, as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Pushpanjali Investrade Private Limited and in compliance thereof, shareholders' approval is being sought herein. The Audit Committee has approved Related Party Transactions, which were in the ordinary course of business and at arm's length basis, placed before it.

The particulars of transaction are as under-

- (a) Name of the Related Party- Pushpanjali Investrade Private Limited.
- (b) Name of the Director or Key Managerial personnel, who is related, if any-
Mr. Mangat Ram Garg, Whole Time Director
- (c) Nature of relationship- Mr. Mangat Ram Garg, Whole Time Director's relative is a member of Pushpanjali Investrade Private Limited.
- (d) Nature of transaction, material terms, monetary value and particulars of transaction- Material terms and Particulars of the transactions:

During the year ended 31st March, 2019, the Company has provided loan amounting to Rs. 1652.14 lakhs to Pushpanjali Investrade Private Limited for general corporate purposes.

- (e) Any other information relevant for the members to make a decision on the transaction- None

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the said resolution except Shri Mangat Ram Garg, and his relative/s being member of Pushpanjali Investrade Private Limited.

The Board recommends the resolutions as set out in item No. 7 of the Notice for your approval.

Item No. 8:

During the year ended 31st March, 2019, the Company has entered into material related party transactions, as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Gautam Fin-Invest Private Limited and in compliance thereof, shareholders' approval is being sought herein. The Audit Committee has approved Related Party Transactions, which were in the ordinary course of business and at arm's length basis, placed before it.

The particulars of transaction are as under-

- (a) Name of the Related Party- Gautam Fin-invest Private Limited.
- (b) Name of the Director or Key Managerial personnel, who is related, if any- Mr. Mangat Ram Garg, Whole Time Director
- (c) Nature of relationship- Mr. Mangat Ram Garg, Whole Time Director and his relative are members in Gautam Fin-Invest Private Limited
- (d) Nature of transaction, material terms, monetary value and particulars of transaction- Material terms and Particulars of the transactions:

During the year ended 31st March, 2019, the Company has provided loans amounting to Rs. 2272.98 lakhs to Gautam Fin-Invest Private Limited for general corporate purposes.

- (e) Any other information relevant for the members to make a decision on the transaction- None

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the said resolution except Shri Mangat Ram Garg and his relative/s being member of Gautam Fin-Invest Private Limited.

The Board recommends the resolutions as set out in item No. 8 of the Notice for your approval.

Item No. 9:

During the year ended 31st March, 2019, the Company has entered into material related party transactions, as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Sigma Infrastructure Private Limited and in compliance thereof, shareholders' approval is being sought herein. The Audit Committee has approved Related Party Transactions, which were in the ordinary course of business and at arm's length basis, placed before it.

The particulars of transaction are as under-

- (a) Name of the Related Party- Sigma Infrastructure Private Limited.
- (b) Name of the Director or Key Managerial personnel, who is related, if any- Mr. Mangat Ram Garg, Whole Time Director
- (c) Nature of relationship- Mr. Mangat Ram Garg, Whole Time Director is a Member in Sigma Infrastructure Private Limited
- (d) Nature of transaction, material terms, monetary value and particulars of transaction- Material terms and Particulars of the transactions:

During the year ended 31st March, 2019, the Company has provided loans amounting to Rs. 1853.73 lakhs to Sigma Infrastructure Private Limited for general corporate purposes.

- (e) Any other information relevant for the members to make a decision on the transaction- None

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the said resolution except Shri Mangat Ram Garg and his relatives being member of Sigma Infrastructure Private Limited.

The Board recommends the resolutions as set out in item No. 9 of the Notice for your approval.

Item No. 10:

During the year ended 31st March, 2019, the Company has entered into material related party transactions, as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Crisspark Vincom Limited and in compliance thereof, shareholders' approval is being sought herein. The Audit Committee has approved Related Party Transactions, which were in the ordinary course of business and at arm's length basis, placed before it.

The particulars of transaction are as under-

- (a) Name of the Related Party- Crishpark Vincom Limited.
- (b) Name of the Director or Key Managerial personnel, who is related, if any-
Mr. Mangat Ram Garg, Whole Time Director is a Director in Crishpark Vincom Limited
- (c) Nature of relationship- Crishpark Vincom Limited is a Subsidiary of the Company.
- (d) Nature of transaction, material terms, monetary value and particulars of transaction- Material terms and Particulars of the transactions:
During the year ended 31st March, 2019, the Company has provided loans amounting to Rs. 3819.39 lakhs to Crishpark Vincom Limited for general corporate purposes.
- (e) Any other information relevant for the members to make a decision on the transaction- None.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the said resolution except Shri Mangat Ram Garg who is Director of Crishpark Vincom Limited.

The Board recommends the resolutions as set out in item No. 10 of the Notice for your approval.

Item No.11

In compliance with provisions of the Companies Act, 2013 it is proposed to modify heading of Clause III (B) to read as 'Matters which are necessary for furtherance of the Objects specified in Clause III(A) and delete the existing 'Clause III (C) - Other Objects' of its Memorandum of Association.

Copy of the Memorandum of Association with proposed alterations has been uploaded on the Company's website <http://www.sudhaapparels.com> for inspection of the members and shall also be available for inspection at the Registered Office of the Company during business hours on all working days, except Saturdays, Sundays and holidays, from the date of dispatch of the Notice, upto the last date of voting i.e. 27th September, 2019.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, approval of the members of the Company by special resolution is required for proposed amendments in the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions.

The Board commends the resolutions as set out at item number 10 in the Notice for your approval.

Item No. 12

With the enactment of new Companies Act, 2013, it is considered expedient to alter the Liability Clause of Memorandum of Association of the Company in order to be in conformity with the provisions of the Companies Act, 2013.

Pursuant to the provisions of Section 13 of the Act, approval of the members of the Company by special resolution is required for proposed amendments in the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolution as set out in item No. 12 of this Notice for approval of members.

Pursuant to the provisions of Section 13 of the Act, approval of the members of the Company by special resolution is required for proposed amendments in the Memorandum of Association of the Company.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolution as set out in item No. 12 of this Notice for approval of members.

Item No. 13

The existing Articles of Association (AOA) of the Company are based on the provisions of the Companies Act, 1956. Upon enactment of the Companies Act, 2013 (the Act), various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the Companies Act, 2013.

It is therefore considered desirable to adopt a new set of Articles of Association of the Company in substitution of and to the exclusion of the existing Articles of Association.

Pursuant to the provisions of Section 14 of the Act, approval of the shareholders of the Company by special resolution is required for the adoption of the new AOA to replace the existing AOA and accordingly the approval of the members is being sought for the adoption of the new Articles.

The proposed draft Articles of Association has been uploaded on the Company's website <http://www.sudhaapparels.com> for perusal by the members and shall also be available for inspection at the Registered Office of the Company during business hours on all working days except Saturdays, Sundays and holidays, from the date of dispatch of the Notice, upto the last date of voting i.e. 27th September, 2019.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the resolutions as set out in item No. 13 of this Notice for approval of members.

By order of the Board


Rajesh Gupta
Company Secretary

Place : Gurgaon
Dated : 8th August, 2019

SUDHA APPARELS LIMITED

CIN: L17299WB1981PLC033331

Registered Office: 2/5, Sarat Bose Road, Sukh Sagar,
Flat No 8A, 8th Floor, Kolkata-700 020. Phone: 033-30522053

Website: <http://www.sudhaapparels.com> ; Email: secretarial@sudhaapparels.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules 2014)

Name of the member(s)

Registered address

E-mail ID:

Folio No. / DP ID and Client ID:

I/We, being the member(s) of shares of Sudha Apparels Limited, hereby appoint

1) Name

Address

Signature or failing him/her

2) Name

Address

Signature or failing him/her

3) Name

Address

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General meeting of the Company, to be held on Friday, 27th September, 2019 at 11.30 a.m. at 2/5 Sarat Bose Road, Sukh Sagar, Flat No.8A, 8th Floor, Kolkata-700 020 and at any adjournment thereof, in respect of such resolutions as are indicated below:

Resolutions	For	Against
1. To consider and adopt (a) the Audited Financial Statement for the financial year ended 31st March, 2019 together with the Reports of Directors and Auditors thereon; and (b) the Audited Consolidated financial statement for the year ended 31st March, 2019 together with the Reports of Auditors thereon.		
2. To re-appoint Shri Mangat Ram Garg as Director who retires by rotation		
3. To appoint Shri Sunil Gautam as Director of the Company		
4. To appoint Shri Sunil Gautam as Whole-time Director of the Company		
5. To appoint Ms. Roma Kumar as Independent Director of the Company		
6. To issue Bonus Shares		
7. To approve related party transactions with Pushpanjali Investrade Private Limited		
8. To approve related party transactions with Gautam Fin-		

9	Investi Private Limited To approve related party transactions with Sigma Infrastructure Private Limited		
10	To approve related party transactions with Crishpark Vincom Limited		
11	To alter Clause III of the Memorandum of Association		
12	To alter Clause IV of the Memorandum of Association		
13	To adopt new set of Articles of Association		

*Applicable for investors holding shares in electronic form

Signed this Day of 2019

Affix a
Revenue
Stamp

Signature of shareholder

.....
Signature of first proxy holder

.....
Signature of second proxy holder

.....
Signature of third proxy holder

Please put a (✓) in the appropriate column against the resolution indicator in the box. Alternatively, you may mention the no. of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) In case the member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorization should be attached to the proxy form.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

SUDHA APPARELS LIMITED

CIN: L17299WB1981PLC033331

Registered Office: 2/5, Sarat Bose Road, Sukh Sagar,
Flat No.8A, 8th Floor, Kolkata-700 020, Phone: 033-30522053
Website: <http://www.sudhaapparels.com> Email: secretarial@sudhaapparels.com

Attendance slip for the 38th Annual General Meeting

Folio No

DP Id*

Client Id*

I hereby record my presence at the 38th Annual General Meeting of the Company on Friday, 27th September, 2019 at 11 30 A.M. held at 2/5, Sarat Bose Road, Sukh Sagar, Flat No.8A, 8th Floor, Kolkata- 700 020.

Name of the attending Member
(in Block Letters)

Name of the Proxy (in Block Letters)
(to be filled in, if the proxy attends instead of the member)

No. of Shares held

.....
Members/Proxy's Signature

Note This attendance slip duly filled in should be handed over at the entrance of the meeting hall.

*Applicable for investors holding shares in demat form.

