

33rd ANNUAL REPORT

2013-14

SUDHA APPARELS LIMITED

BOARD OF DIRECTORS

Savita Jindal (Smt.)
R.K. Banthia
Sandeep Shah
Mangat Ram Garg

AUDIT COMMITTEE

R.K. Banthia *Chairman*
Sandeep Shah
M. R. Garg

COMPANY SECRETARY

Rajesh Gupta

AUDITORS

Khandelwal Prajapati & Co.
Chartered Accountants
Kolkata - 700013

REGISTERED OFFICE

2/5 Sarat Bose Road,
Sukh Sagar,
Flat No. 8A, 8th Floor,
Kolkata - 700020

CORPORATE OFFICE

Plot No. 30, Institutional Sector-44,
Gurgaon- 122 002,
(Haryana)

REGISTRAR & SHARE TRANSFER AGENT

NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, Bagree Market, 5th Floor
71 B.R.B. Basu Road,
Kolkata – 700 001

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: www.sudhaapparels.com; Email: investors@sudhaapparels.com

NOTICE

Notice is hereby given that 33rd Annual General Meeting of Sudha Apparels Limited will be held on Monday the 29th September, 2014 at 10.30 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 receive, consider and adopt the Audited Accounts for the year ended 31st March, 2014 and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Savita Jindal (DIN: 00449740), who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint M/s. Khandelwal Prajapati & Co., Chartered Accountants (Firm Registration No. 313154E) as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution

"RESOLVED THAT Shri Mangat Ram Garg (DIN 00449709), 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 an Director of the Company."

5. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule V to the said Act the consent of the members of the Company be and is hereby accorded for appointment and payment of remuneration to Shri Mangat Ram Garg (DIN 00449709) as Whole time Director of the Company for a period of 3 (Three years) with effect from 1st July, 2014 on the terms and conditions set out herein with liberty to the Board of Directors to alter and vary the terms and conditions and/remuneration, subject to the same not exceeding the limits specified in schedule V to the Companies Act, 2013, including 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 Mangat Ram Garg.

SALARY

Rs. 47,930/- per month with such increase as may be decided by the Board of Directors, from time to time.

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, car with driver for business use, facility of telephone installed at his residence, 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 Company's contribution to Provident Fund, 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 entertainment, 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 months' prior notice."

6. To consider, and if thought fit, to pass with or without modification(s) 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, Shri R.K. Banthia (DIN: 00117022), be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years commencing from the date of 33rd Annual General Meeting of the Company."

7. To consider, and if thought fit, to pass with or without modification(s) 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, Shri Sandeep Shah (DIN: 00595775), be and is hereby appointed as Independent Director of the Company to hold office for a term of five consecutive years commencing from the date of 33rd Annual General Meeting of the Company."

By order of the Board

Rajesh Gupta
Company Secretary

Place : Gurgaon
Dated : 1st September, 2014

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 as also the Attendance Slip duly filled in for attending the meeting.
4. Pursuant to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014, the Company has fixed 22nd August, 2014 as the cut-off date to ascertain the entitlement of the shareholders to cast their votes through ballot at the 33rd Annual General Meeting under the Companies Act, 2013 and rules made thereunder. Consequently the same cut-off date i.e. 22nd August, 2014 would also be considered for entitlement of the shareholders, who do not cast their vote through ballot, to cast their vote at the 33rd Annual General Meeting on 29th September, 2014.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 26th September, 2014 to Monday 29th September, 2014 (both days inclusive) for the purpose of ascertaining the shareholders entitled to attend Annual General Meeting.
6. 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.
7. Details of the Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement):

Name of the Director	Smt. Savita Jindal	Shri R.K. Banthia	Shri Sandeep Shah	Shri Mangat Ram Garg
Age	57 Years	63 Years	50 Years	58 Years
Qualification	Graduate	Graduate	Graduate	B.Com., CA
Experience	Prominent business-women having wise business experience	Prominent businessman having wide business experience	Extensive experience in the field of Marketing & Administration	Extensive experience in the field of Corporate finance, Taxation & Administration
Date of appointment as Director of the company	30.12.2005	15.01.2011	20.03.2013	01.07.2014
Directorship of other Companies	Nil	1. Banthia Securities Pvt. Ltd. 2. Harvestdeal Securities Ltd. 3. Mediafusions Outdoor (I) Pvt. Ltd. 4. Paradigm Agro Products Ltd. 5. Jorgen Real Estate Private Ltd.	1. Taurus Marketing Private Limited 2. Nav Avtaar Trading Private Limited 3. Diamond Dealtrade Limited	Marine Oil & Gas Private Limited
Chairman/ Member of Committee of the other Companies	Nil	Nil	Nil	Nil
No. of shares held	1,06,662	Nil	Nil	Nil
Inter-se relationship with other Directors	None	None	None	None

8. Members are requested to notify immediately any change in their address to the Registrar & Transfer Agent quoting their Folio Number to the following address:

Registrar and Share Transfer Agents:
NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, Bagree Market, 5th Floor
71 .R.B. Basu Road,

Kolkata – 700 001
Phone: 033-22357271, Fax : 033-22156823
e-mail : nichetechpl@nichetechpl.com

9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names recorded in the Register of Members will be entitled to vote. Corporate members intending to send their authorised representative are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
10. All documents referred to in the accompanying notice and the Explanatory Statement are open by the members for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on any working day upto the date of the Annual General Meeting and also at the meeting.
11. 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.
12. The Members are provided with the facility to cast their vote through Ballot on all resolutions set forth in this Notice.
 - (i) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send copy of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot paper.
 - (i) The voting period commences on Thursday, September 18, 2014 and ends on Saturday, September 20, 2014. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 22, 2014, may cast their vote.
 - (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 22, 2014.
 - (iii) Mr. Gaurav Garg, Practicing Company Secretary (Membership No. ACS 21499), has been appointed as the Scrutinizer to scrutinize the Ballot Forms received from the Members in a fair and transparent manner.
 - (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the voting period, make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - (v) Members may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Gaurav Garg, Practicing Company Secretary, (Membership No. ACS 21499), at the Registered Office of the Company not later than Saturday, September 20, 2014.
 - (vi) Ballot Form received after this date will be treated as invalid.

- (vii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sudhaapparels.com within two days of the passing of the resolutions at the 33rd AGM of the Company on September 29, 2014 and communicated to the Calcutta Stock Exchange Limited, where the shares of the Company are listed.

Explanatory Statement under Section 102(1) of the Companies Act, 2013

Item no. 4

Shri Mangat Ram Garg was co-opted as an Additional Director of the Company on 1st July, 2014. 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, in writing, along with the deposit of the requisite amount under Section 160 of the Act, proposing the candidature of Shri Mangat Ram Garg 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 Mangat Ram Garg and his relatives, none of the Directors, Key Managerial Personnel and their relatives are concerned or interested in the resolution.

The Board recommends the resolution for your approval.

Item no. 5

The Board of Directors of the Company has appointed Shri Mangat Ram Garg, as Whole-time Director of the Company for a period of 3 (Three) years from 1st July, 2014 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 Mangat Ram Garg as Whole time Director.

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

The Board recommends the resolution for your approval.

Item no. 6 & 7

In terms of Section 149 of the Companies Act, 2013, (The Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to appoint Independent Directors, who shall hold office for a period of upto five consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of upto five years each.

Shri R.K. Banthia and Shri Sandeep Shah are Independent Directors of the Company and have been holding the office of directorship for period 1 to 3 years. As per their existing terms of appointment, they are liable to retire by rotation.

The Company has received notices, in writing, from a member, along with the deposit of the requisite amount under Section 160 of the Act, proposing the candidature of each of the abovementioned Director for appointment as Independent Directors of the Company. They are not disqualified, in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from these Directors that they meet with the criteria of independence as prescribed under Section 149 (6) of the Act and Clause 49 of the listing agreement.

The Board of Directors considers that their continued association would be of immense benefit to the Company and has proposed their appointment as Independent Directors under Section 149 of the Act to hold office for a term of five consecutive years commencing from the date of 33rd Annual General Meeting of the Company. In the opinion of the Board both the above mentioned Directors fulfill conditions of appointment as Independent Director as specified in the Act and the listing agreement.

Details of the Independent Directors, whose appointment is proposed at item nos. 6 & 7 of the accompanying Notice have been given in the Notes to the Notice.

A copy of their draft letters of appointment as Independent Directors, setting out the terms and conditions are 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 Shri R.K. Banthia and Shri Sandeep Shah and their relatives are concerned or interested in the respective resolutions for their appointment.

The Board recommends the resolutions as set out in item No. 6 & 7 of the Notice for your approval.

By order of the Board

Rajesh Gupta
Company Secretary

Place : Gurgaon
Dated : 1st September, 2014

SUDHA APPARELS LIMITED

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 33rd Annual Report along with Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

	Year ended 31.03.2014	(Rs.) Year ended 31.03.2013
Total Income	48,74,66,025	67,03,23,297
Profit before tax	7,51,64,230	5,65,25,564
Provision for Taxation - Current	4,05,00,000	2,68,00,000
Profit after Tax	3,46,64,230	2,97,25,564
Balance brought forward from previous year	186,72,48,967	184,49,69,403
Profit available for appropriation	190,19,13,197	187,46,94,967

APPROPRIATIONS

Transfer to Statutory Reserve	69,33,000	59,46,000
Transfer to General Reserve	15,00,000	15,00,000
Balance carried to Balance Sheet	190,09,26,197	186,72,48,967
	190,93,59,197	187,46,94,967

OPERATIONS

The total income of the Company during the year was Rs.4874.66 lacs as against Rs. 6703.23 lacs in the previous year. The profit before tax during the year was Rs. 751.64 lacs as against Rs. 565.26 lacs in the previous year. The profit after tax was Rs. 346.64 lacs as against Rs. 297.26 lacs in the previous year.

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.

DIRECTORS

Smt. Savita Jindal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for reappointment.

Shri M. M. Mittal resigned as Director of the Company on 1st September, 2014. The Board places on record, its appreciation of the services rendered by Shri Mittal during his tenure as Director.

The Board of Directors of the Company has appointed Shri Mangat Ram Garg as Whole time Director of the Company on 1st July, 2014 for a period of three years on the terms and conditions, including remuneration as contained in the Notice, convening the Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, your Directors are seeking appointment of Shri R.K. Banthia and Shri Sandeep Shah as Independent Directors for a period of five years.

Items seeking your approval on the above are included in the Notice convening the Annual General Meeting.

FIXED DEPOSIT

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors state:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- (ii) that the accounting policies selected and applied are consistent and the judgements 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, 1956 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, 2014 have been prepared on a going concern basis.

AUDIT COMMITTEE

The Audit Committee of the Company consists of Shri R.K. Banthia, Chairman, Shri Sandeep Shah and Shri M. R. Garg. The Board of Directors of your Company has revised its terms of reference to be in conformity requirements of Section 177 of the Companies Act, 2013 and revised clause 49 of the Listing Agreement.

NOMINATION AND REMUNERATION COMMITTEE

Your Directors have constituted the Nomination and Remuneration Committee, comprising Shri R.K. Banthia, Chairman and Shri Sandeep Shah and Shri M. R. Garg, as its other members.

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.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

Your Directors have renamed the 'Shareholders'/Investors Grievance cum Share Transfer Committee' as Stakeholders' Relationship Committee, with revised terms of reference in accordance with provisions of the Companies Act, 2013 and Clause 49 of the listing agreement.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

AUDITORS

M/s. Khandelwal Prajapati & Co., Chartered Accountants, the retiring Auditors, hold office until conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment.

The observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts.

COMPLIANCE CERTIFICATE

The Company has obtained a Certificate under Section 383A(1) of the Companies Act, 1956 from a Company Secretary in Whole-time Practice confirming that the Company has complied with all provisions of the Companies Act, 1956, is attached herewith.

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

The requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988 are not applicable.

PARTICULARS OF EMPLOYEES

There was no employee in the Company drawing remuneration more than the prescribed limit under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ACKNOWLEDGEMENT

The Board expresses its grateful appreciation of the assistance and co-operation received from various Govt. Departments, Banks and Shareholders.

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

For and on behalf of the Board

Place : Gurgaon
Dated : 1st September, 2014

Savita Jindal
Director

M. R. Garg
Director

SUDHA APPARELS LIMITED

CORPORATE GOVERNANCE REPORT

The Company has been maintaining the highest standards of corporate governance principles and best practices, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of the corporate Governance compliance by the Company as per Clause 49 of the Listing Agreement with Stock Exchanges are as under:

A COMPLIANCE OF MANDATORY REQUIREMENTS:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, lenders, employees, the government and the society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In this pursuit, your Company's philosophy of Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and to continuously strive to attain high levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Your Company continues to lay great emphasis on broad principles of Corporate Governance. Your Company, with a view to achieve these objectives, has adopted corporate strategies, prudent business plans and continuous monitoring of performance.

2. BOARD OF DIRECTORS Composition

The strength of the Board as on 31st March, 2014 was 4 Directors comprising of two independent Directors. One-half of the Board of the Company consists of Independent Directors. All Directors of the Company were Non-Executive Directors.

None of the Directors held Chairmanship of more than 5 Committees or Membership in more than 10 committees of Public Limited Companies.

During the year under review 5 Board meetings were held on 9th April, 2013, 30th May, 2013, 8th August, 2013, 31st October, 2013 and 24th January, 2014.

Composition of Board of Directors, their shareholding, attendance during the year and at the last Annual General Meeting, Number of other Directorships, Committee memberships and Chairmanships held by them as at 31st March, 2014 are given below:

Directors	Category	Shares held	Attendance		No. of other Directorships and Committee Memberships/ Chairmanships held \$		
			Board Meeting	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
Smt. Savita Jindal	Non-Executive	106,662	4	-	-	-	-
Shri M.M. Mittal	Non-Executive	-	5	Yes	3	-	-
Shri R.K. Banthia	Independent	-	5	Yes	2	-	-
Shri Sandeep Shah	Independent	-	5	-	1	-	-

Note:

1. Only Audit and Shareholders'/Investors' Grievance Committees are considered.
2. Excludes Directorship in private/foreign companies and alternate Directorship.

No Director is related to other Director on the Board as defined under the Companies Act, 1956.

3. CODE OF CONDUCT

The Board of Directors has adopted the Code of Conduct and Ethics for Directors and Senior Management personnel. The code has been circulated to all members of the Board and senior management personnel of the Company who have confirmed compliance with the said Code.

A declaration signed by Shri Man Mohan Mittal, Director of the Company is given below:

I hereby confirm that the Company has obtained from all members of the Board and Senior Management affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the financial year 2013-14

Dated: 1st September, 2014

M. R. Garg
Wholetime Director

4. AUDIT COMMITTEE

The Audit Committee is comprised of three Directors including two independent Directors. All these members possess knowledge of Corporate Finance, Accounts and Company Law. The Chairman of the Committee is an Independent Non-Executive Director.

The terms of reference of the Committee are as per guidelines set out in the revised Listing agreement and 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 and functioning of Whistle Blower mechanism.

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 30th May, 2013, 8th August, 2013, 31st October, 2013 and 24th January, 2014.

The composition of Audit Committee as on 31st March, 2014 and attendance at its Meetings was as follows:

Members	Category	No. of meetings attended
Shri R.K. Banthia	Chairman	4
Shri M.M. Mittal	Member	4
Shri Sandeep Shah	Member	4

5. **REMUNERATION TO DIRECTORS**

The Company as on 31st March, 2014 did not have a Remuneration Committee as there was no Managing/Whole-time Director during the year drawing remuneration.

The Directors of the Company relinquished their entitlement to receive sitting fees as Directors of the Company for attending any meeting of the Board or Committee(s) thereof.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31st March, 2014.

6. **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Functions

The Board has renamed the Shareholders'/Investors' Grievance cum Share Transfer Committee as Stakeholders Relationship Committee to align it with the requirements of the Companies Act, 2013. The Committee meets as per requirement 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 composition of Shareholders'/Investors' Grievance Cum Share Transfer Committee as on 31st March, 2014 was as follows:

Name of the Members	Designation
Shri M.M. Mittal	Chairman
Smt. Savita Jindal	Member

Compliance Officer

The Board has designated Shri Arup Kumar Mitra as Compliance Officer of the Company.

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

Number of Shareholders complaints received during the period 01.04.2013 to 31.03.2014	:	Nil
Number of complaints not solved to the satisfaction of shareholders	:	N. A.
Number of pending complaints as on 31.03.2014 which were solved later on.	:	N. A.

7. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2010-11	20.08.2011	2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020 (West Bengal)	10.30AM.
2011-12	29.09.2012	2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020 (West Bengal)	10.30AM.
2012-13	25.09.2013	2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 th Floor, Kolkata- 700 020 (West Bengal)	10.30AM.

(ii) No Special resolution was passed in the preceding three Annual General Meetings.

(iii) During the Financial Year 2013-14, no resolution was passed through postal ballot. No special resolution is proposed to be conducted through postal ballot.

8. DISCLOSURES

(i) Related Party Transactions

There have been no materially significant related party transactions in conflict with the interest of the Company.

(ii) 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.

(iii) Details on Non Compliance

There are no instances of non-compliance by the Company on any matter relating to the Capital Market during the last 3 years.

(iv) Declaration by CEO with regard to Code of Conduct

Shri M. R. Garg, Whole time Director has furnished a declaration affirming compliance of Code of Conduct by the Board of Directors and Senior Management Personnel.

(v) CEO/CFO Certificates

Shri M. R. Garg Whole time Director has furnished the required certificate to the Board of Directors pursuant to Clause 49 of the Listing Agreement.

9. MEANS OF COMMUNICATION

The Company's financial results are communicated forthwith to the Calcutta Stock Exchange as soon as they are approved and taken on

record by the Board of Directors of the Company. Additionally, in strict compliance of Listing Agreement, the Company has always promptly reported dates of various Board Meetings, Book Closures/ Record Dates to the Stock Exchange Thereafter the results are published in leading newspapers.

10. GENERAL SHAREHOLDERS INFORMATION

a) Annual General Meeting:

Date & Time : 29th September, 2014 at 10.30 a.m.
 Venue : Registered Office of the Company at 2/5, Sarat Bose Road, Kolkata – 700020

b) Financial Year : 1st April, 2013 to 31st March, 2014

c) Book Closure : 26th September, 2014 to 29th September, 2014

Financial Calendar (Tentative):

- Financial reporting for the quarter ended 30th June, 2014 : Aug, 2014
 - Financial reporting for the quarter ending 30th Sept, 2014 : Oct./Nov, 2014
 - Financial reporting for the quarter ending 31st Dec, 2014 : Jan./Feb, 2015
 - Financial reporting for the quarter/year ending 31st March, 2015 : May, 2015

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata- 700 001 (West Bengal) and Listing Fee for the year 2014-15 has been duly paid.

Scrip Name: SUDHA APPARELS

Scrip Code: CSE 10029405

NSDL/ CDSL – ISIN INE207F01012

Stock Market Data

There was no trading of shares during the financial year 2013-14 on CSE.

Distribution of shareholding as on 31st March, 2014

No. of Equity Shares held	No. of Shareholders	% of shareholders	No. of Shares held	% of Shareholding
Upto 5000	62	87.32	51000	7.02
5001 to 50000	3	4.23	106911	14.70
50001 to 100000	3	4.23	209900	28.87
100001 and Above	3	4.22	359201	49.41
Total	71	100.00	727012	100.00

Shareholding Pattern as on 31st March, 2014:

<u>CATEGORY</u>	No. of Shares held	% of Share-holding
Promoters	534251	73.49
Private Bodies Corporate	144761	19.91
Indian Public	48000	6.60
Grand Total	727012	100.00

Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form. As on 31st March 2014, 43.27 % of total equity shares were held in dematerialised form.

Outstanding GDR / Warrants and Convertible Bonds, conversion date and likely impact on equity:

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

Registrar and Share Transfer Agents:

NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, Bagree Market, 5th Floor
71 B.R.B. Basu Road,
Kolkata – 700 001
Phone : 033-22357271
Fax : 033-22156823
e-mail : nichetechpl@nichetechpl.com

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.

Investors' correspondence address

Shareholders correspondence should be addressed to the Registrar and Transfer Agent at the above mentioned address or to the Registered Office of the Company.

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

B. NON-MANDATORY REQUIREMENTS

(1) a) CHAIRMAN OF THE BOARD

The Company has a Non-executive Chairman and expenses incurred in performance of his duties are paid by the Company.

b) TENURE OF INDEPENDENT DIRECTORS

In terms of the provisions of the Companies Act, 2013, and the revised Clause 49 of the listing agreement, the Independent Directors are proposed to be appointed for a period of five years at the ensuing Annual General Meeting.

(2) REMUNERATION COMMITTEE

The Company has constituted a Nomination and Remuneration Committee.

(3) SHAREHOLDERS RIGHTS

As the Company's quarterly results are published in English newspapers and in a regional language newspaper widely circulated in the Region and posted on the website of the Company i.e. www.sudhaapparels.com, the same are not sent to each household of shareholders.

(4) AUDIT QUALIFICATIONS

There are no Audit Qualifications in the Auditors' Report.

(5) TRAINING OF BOARD MEMBERS

At present, the Company does not have such a training program for the Board Members. However, the same would be implemented during the current year in compliance with revised Clause 49 of the listing agreement.

(6) MECHANISM FOR EVALUATING NON-EXECUTIVE BOARD MEMBERS

At present, the Company does not have such a mechanism as contemplated for evaluating the performance of Non-Executive Board Members. However, the same would be implemented during the current year in compliance with revised Clause 49 of the listing agreement.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

SUDHA APPARELS LIMITED

We have examined the compliance of conditions of corporate governance of Sudha Apparels Limited for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

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 Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Company, no investor grievance is pending for a period exceeding one month.

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

For KHANDELWAL PRAJAPATI & CO.
Chartered Accountants

V.N. Khandelwal
Partner
Membership No. 52862

Place: Kolkata
Dated: 1st September, 2014

SUDHA APPARELS LIMITED

Management Discussion and Analysis

Forming part of the Directors' Report for the year ended 31st March, 2014

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.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian economy witnessed challenging year with GDP growth slowing down to sub 5.0% for the second year in succession. Containment of the fiscal and current account deficits in the coming period is expected to provide cushion to the Indian economy from further volatility.

Inflation remained high and sticky for most part of the year leading to the RBI hiking the Repo rate by 75 basis points since May' 13. While headline inflation has moderated in recent months, Core CPI inflation remains elevated at around 8% leaving little room for the RBI to ease policy rates to spur growth.

Non-Banking Financial Companies (NBFCs), continue to play a key role in the development of the Country, by being present in under banked and unbanked regions and participating in inclusive growth.

The Company will continue to focus on making long-term strategic investment in various companies promoted by D.P. Jindal Group. Considering the expected growth in the economy and the prospects of the economy as a whole and oil and gas industry in particular, the Company expects to restore its value with a hope of further enhancement in the long term for the benefit of the shareholders at large.

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 slowdown, coupled with inflationary pressure has the prospects of curtailing business growth, raise the delinquency rate and enhance credit costs. 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. There is no other segment. Therefore, there are no separate segments for reporting as per the Accounting Standard AS-17 issued by The Institute of Chartered Accountants of India.

BUSINESS OUTLOOK

The Company continues to hold investment in D.P. Jindal Group companies and expect to earn reasonable return on the same. D.P. Jindal Group is focusing on Oil & gas sector, which is currently a very prominent and global sector. The performance of your Company largely depends on the performance of these companies. Your Company, therefore, closely monitors the working of these Companies.

RISKS AND CONCERNS

As an NBFC, your Company is subjected to both external risk and internal risk. External risk 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 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

The total income of the Company during the year was Rs.4874.66 lacs as against Rs. 6703.23 lacs in the previous year. The profit before tax during the year was Rs. 751.64 lacs as against Rs. 565.26 lacs in the previous year. The profit after tax was Rs.346.64 lacs as against Rs. 297.26 lacs 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
OF
M/S. SUDHA APPARELS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of M/s. SUDHA APPARELS LIMITED which comprise the Balance Sheet as at 31st March, 2014 the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

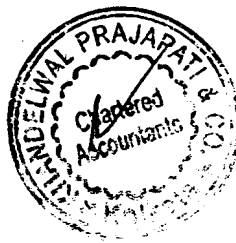
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with general circular 15/2013 dt 13.09.2013 of the Ministry of Corporate Affairs in respect of sec.133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Cont.....2



:: 2 ::

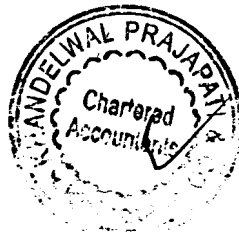
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2014.
- ii) In the case of the Statement of Profit and Loss of the **Profit** for the year ended on that date,
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. The company is registered with Reserve Bank of India as Non Banking Finance Company Vide Registration No –B-05.02275 dated 16.05.1998. Additional Particulars as required by Reserve Bank of India under Non- Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions,2007 are attached, under separate Annexure –I



Cont....3

KHANDELWAL PRAJAPATI & CO.
Chartered Accountants



8, Ganesh Chandra Avenue
5th Floor, Room No. 33
Kolkata - 700 013
Phone - 2236 - 4634
2234 - 5110
E-mail - kpcaco@gmail.com

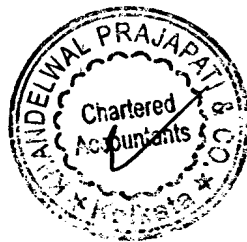
:: 3 ::

3. As required by section 227(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;
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.;
 - On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For KHANDELWAL PRAJAPATI & CO.
Chartered Accountants,
Firm Registration No. 313154E

PLACE : KOLKATA

DATED : 29/05/2014




(V. N. KHANDELWAL)
Partner
Membership No. - 052862



Re. : SUDHA APPARELS LIMITED(31.03.2014)

Annexure referred to in paragraph 1 under the heading of “Report on Other Legal and Regulatory Requirements” of our report of even dated

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management during the year at reasonable intervals. No material discrepancies were noticed on such verification.
- c) Fixed Assets disposed off during the year were not substantial and therefore it does not affect the going concern assumption.
- ii) a) The inventory of the company consists only of shares /securities in demat form. As per the information given to us, the demat statement is verified from time to time by the management and no discrepancy has been found on such verification.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company is maintaining proper records of inventory and no material discrepancies have been noticed on physical verification.
- iii) a) According to information and explanation given to us, the company has granted unsecured loan to one company covered in the register maintained under section 301 of the Companies Act, 1956. Maximum amount involved during the year was Rs. 7048156/- which is the balance as at the year end.
- b) The rate of interest and other terms and condition of such loan granted by the Company, are prima facie not prejudicial to the interest of the Company.
- c) As per information given to us, the principal amount is repayable on demand and the payment of interest is *not regular*.
- d) As per explanation given to us, there is no overdue amount of loan
- e) According to information and explanation given to us, the Company has not taken any Loan secured or unsecured from Company, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub clauses (f) and (g) of clause 4(iii) of the order are not applicable.



KHANDELWAL PRAJAPATI & CO.
Chartered Accountants

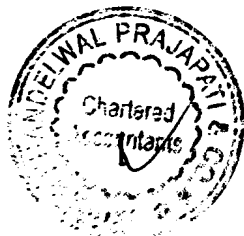


Cont...2
8, Ganesh Chandra Avenue
5th Floor, Room No. 33
Kolkata – 700 013
Phone – 2236 – 4634
2234 – 5110
E-mail – kpcaco@gmail.com

:: 2 ::

- iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures, commensurate with the size of the company and the nature of its business with regard to purchase of inventory and for sale of goods being shares and securities. There are no transactions involving purchase of fixed assets and sale of services except addition to capital work in progress. During the course of our audit, we have not observed any major weakness in internal controls system.
- v) In our opinion, and according to the information and explanations given to us there are no contracts and arrangements entered into this year, the particulars of which needs to be entered into the register required to be maintained under Section 301 of the Act.
- vi) The Company has not accepted any deposits from public during the year within the provisions of section 58A & 58AA of the Companies, Act, 1956 and the rules framed there under.
- vii) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) In our opinion and according to the information and explanation given to us, the activities carried on by the Company do not require maintenance of any cost records.
- ix) i) According to information and explanations provided to us and as per the records of the company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues like income tax, and other statutory dues applicable to it with the appropriate authority.
- ii) 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, 2014 are as follows

Nature of Dues	F.Y to which the matter pertains	Forum where disputes pending	Amount as per demand order (Rs. In lacs)	
			C.Y	P.Y
Income Tax under Income Tax Act, 1961	2008 – 09	Commissioner of Income Tax (Appeals)	4.53	4.53
	2009- 10	Commissioner of Income Tax (Appeals)	0.08	0.08
	2010-11	Commissioner of Income Tax (Appeals)	340.16	-



KHANDELWAL PRAJAPATI & CO.
Chartered Accountants

8, Ganesh Chandra Avenue
5th Floor, Room No. 33
Kolkata – 700 013
Phone – 2236 – 4634
2234 – 5110
E-mail – kpcaco@gmail.com



:: 3 ::

Besides above, without qualifying our opinion, we draw attention to note no. 15.4 of Notes on Financial Statement regarding contingent liability of the company, not provided for on account of Service Tax payable of Rs. 3,817,716/- 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 dispute 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.

- x) The Company does not have any accumulated loss as at 31st March, 2014 and the Company has not incurred cash losses in the current year and immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institution, bank or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
- xiii) The provision for any special statute as specified under paragraph 4(xiii) of the order are not applicable to the company.
- xiv) In respect of transactions in securities & other investments, in our opinion and according to information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The securities and other investments have been held by the company in its own name.
- xv) According to information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- xvi) Based on information and explanations given to us, the Company has not taken any term loan.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- xviii) According to the information and explanations given to us, during the period covered by our audit, the company has not made preferential allotment of equity shares to parties and companies covered in register maintained u/s. 301 of the Co. Act., 1956.



KHANDELWAL PRAJAPATI & CO.
Chartered Accountants



8, Ganesh Chandra Avenue
5th Floor, Room No. 33
Kolkata - 700 013
Phone - 2236 - 4634
2234 - 5110
E-mail - kpcaco@gmail.com

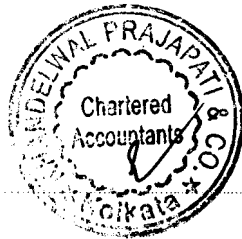
:: 4 ::

- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by public issues during the period
- xxi) According to the information and explanations given to us and during the course of our examination of books of accounts and records of the company, no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE : KOLKATA

DATED : 29/05/2014

For KHANDELWAL PRAJAPATI & CO.
Chartered Accountants.
Firm Registration No. 313154E




(V. N. KHANDELWAL)
Partner
Membership No. - 052862

SUDHA APPARELS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	NOTES	As At 31.03.2014 Rupees	As At 31.03.2013 Rupees
EQUITY AND LIABILITIES			
<u>Shareholders' Funds</u>			
Share Capital	2	7,270,120	7,270,120
Reserves and Surplus	3	<u>2,509,917,151</u>	<u>2,475,252,921</u>
		2,517,187,271	2,482,523,041
<u>Non-Current Liabilities</u>			
Long Term Borrowings	4.1	57,802,563	57,802,563
Long- Term Provisions	4.2	<u>765,175</u>	<u>742,916</u>
		58,567,738	58,545,479
<u>Current Liabilities - Unsecured</u>			
Short -Term Borrowings	5.1	-	49,006,353
Other Current Liabilities	5.2	246,116	5,906,053
Short-Term Provisions	5.3	<u>104,686,474</u>	<u>35,881,594</u>
Total Current Liabilities		104,932,590	90,794,000
Total Equity & Liabilities		<u>2,680,687,599</u>	<u>2,631,862,520</u>
ASSETS			
<u>Non- Current Assets</u>			
i. Fixed Assets - Tangible Assets			
- Fixed assets	6	867,960,924	896,337,721
- Capital Work in Progress		6,083,106	3,945,804
ii. Non-Current Investments	7	1,150,920,050	930,073,125
iii. Long Term Loans & Advances	8	<u>120,417,257</u>	<u>205,717,257</u>
		2,145,381,337	2,036,073,907
<u>Current Assets</u>			
Inventories	9.1	47,507,925	212,244,611
Trade Receivable	9.2	51,410,069	34,978,953
Cash and Cash Equivalents	9.3	5,789,126	16,340,156
Short-Term Loans and Advances	9.4	<u>430,599,142</u>	<u>332,224,893</u>
		535,306,262	595,788,613
Total Assets		<u>2,680,687,599</u>	<u>2,631,862,520</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 KHANDELWAL PRAJAPATI & CO.
Chartered Accountants
Firm Registration No. 313154E

For & on Behalf of the Board

V.N. Khandelwal
Partner
Membership No. 52862

Rajesh Gupta
Co. Secretary

Manmohan Mittal
Director

Savita Jindal
Director

Place : Kolkata
Dated : 29-05-2014

SUDHA APPARELS LIMITED

**STATEMENT OF PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	NOTES	Year ended 31.03.2014 Rupees	Year ended 31.03.2013 Rupees
<u>INCOME</u>			
Revenue from Operations	10	359,778,333	548,322,800
Other Income	10	127,687,692	122,000,497
		<u>487,466,025</u>	<u>670,323,297</u>
<u>EXPENDITURE</u>			
Purchase of Stock in Trade	11	148,000,000	600,000,000
Decrease/(Increase) in Stock in Trade	11	164,736,686	(108,544,611)
Employees Benefit Expenses	11	866,221	691,050
Finance Cost	11	718,694	57,381,611
Depreciation / Amortization	6	28,376,797	29,897,052
Other Expenses	11	798,517	1,100,458
Contingent Provision against Standard Assets	5	90,513	(1,492,686)
		<u>343,587,428</u>	<u>579,032,874</u>
Profit / (Loss) before exceptional ,extraordinary items and tax		143,878,597	91,290,423
Exceptional Items			
Provision for Diminution in value of investment		55,726,131	26,370,626
Provision for Non Performing Assets		12,988,236	8,394,233
Profit / (Loss) after exceptional and extraordinary items and before		75,164,230	56,525,564
Tax Expense - Current Tax		40,500,000	26,800,000
Profit / (Loss) from Continuing Operation		<u>34,664,230</u>	<u>29,725,564</u>
Earning Per Share (Basic/ Diluted)		47.68	40.89

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 KHANDELWAL PRAJAPATI & CO.
Chartered Accountants
Firm Registration No. 313154E

For & on Behalf of the Board

V.N. Khandelwal
Partner
Membership No. 52862

Rajesh Gupta
Co. Secretary

Manmohan Mittal
Director

Savita Jindal
Director

Place : Kolkata
Dated : 29-05-2014

SUDHA APPARELS LIMITED

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET
FOR THE YEAR ENDED 31ST MARCH 2014**

		Year Ended 31.03.2014 Rs.	Year Ended 31.03.2013 Rs.
A. <u>Cash Flow from Operating Activities</u>			
Net Profit before tax and extraordinary items		143,878,597	91,290,423
Adjusted for:			
Depreciation		28,376,797	29,897,052
Contingent Provision for Standard Assets		90,513	(1,492,686)
(Profit)/ Loss on Sale of Fixed Assets		-	(2,458,013)
(Profit)/ Loss on Sale of Investments		(841,175)	(1,004,020)
Operating Profit before Working Capital Changes		171,504,732	116,232,756
Adjusted for:			
Trade & Other Receivables		(39,023,480)	821,926,919
Inventories		164,736,686	(108,544,611)
Trade Payables & Others		(5,637,678)	(3,211,486)
Cash Generated from operations		291,580,260	826,403,578
Direct taxes Paid		(30,981,885)	(31,011,166)
Cash Flow before extraordinary items		260,598,375	795,392,412
Extraordinary item		-	-
Net Cash From Operating Activities	A	260,598,375	795,392,412
B. <u>Cash Flow from Investing Activities</u>			
Purchase of Fixed Assets		(2,137,302)	(3,945,804)
Sale of Fixed Assets		-	6,348,607
Purchase of Investments		(227,683,702)	(142,720,907)
Sale of Investments		7,677,952	8,068,256
Net Cash from Investing Activities	B	(222,143,052)	(132,249,848)
C. <u>Cash Flow from Financing Activities</u>			
Proceeds / (Reduction) of Short Term Borrowings		(49,006,353)	(653,391,157)
Net Cash from Financing Activities	C	(49,006,353)	(653,391,157)
Net increase in Cash & Cash Equivalents (A+B+C)		(10,551,030)	9,751,407
Opening Balances of Cash and Cash Equivalents		16,340,156	6,588,749
Closing Balances of Cash and Cash Equivalents		5,789,126	16,340,156
Change in Cash and Cash Equivalents		(10,551,030)	9,751,407

As per our report of even date attached

For KHANDELWAL PRAJAPATI & CO
Chartered Accountants
Firm Registration No. 313154E

For & on behalf of the Board

V.N. Khandelwal
Partner
Membership No. 52862

Rajesh Gupta
Co. Secretary

Manmohan Mittal
Director

Savita Jindal
Director

Place : Kolkata
Dated : 29-05-2014

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

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

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, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the section 211 of the said Act. 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 Revised Schedule-VI of the Companies Act, 1956.

a. 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.

b. 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.

c. 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 at the rates prescribed under schedule XIV to the Companies Act, 1956, as amended till date.

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.

Sudha Apparels Limited

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.

SUDHA APPARELS LIMITED

NOTES ON ACCOUNTS FORMING PART OF THE AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2014

NOTES - 2 : SHARE CAPITAL

	As At 31.03.2014 Rupees	As At 31.03.2013 Rupees
Authorised		
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

	As At 31.03.2014 Rupees	As At 31.03.2013 Rupees
Equity Capital		
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

SHARE CAPITAL

Equity Shares of Rs. 10 each fully paid up

Particulars	As at 31.03.2014		As at 31.03.2013	
	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 by 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 31.03.2014		As At 31.03.2013	
	Nos	%	Nos	%
1. Jindal Global Finance & Investment Ltd .	107,416	14.77	107,416	14.77
2. Flakt Dealcom Ltd.	38,761	5.33	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 Financial Statements

NOTES - 3 : RESERVE & SURPLUS	As At 31.03.14 Rupees	As At 31.03.13 Rupees
Particulars		
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	81,246,597	79,746,597
Add : Addition during the year	<u>1,500,000</u>	<u>1,500,000</u>
	82,746,597	81,246,597
b) Statutory Reserve		
As per last Balance Sheet	475,175,859	469,229,859
Add : Addition during the year	<u>6,933,000</u>	<u>5,946,000</u>
	482,108,859	475,175,859
3.3 Surplus in Statement of Profit & Loss A/c		
As per last Balance sheet	1,867,248,967	1,844,969,403
Profit during the Year	34,664,230	29,725,564
Less - Transfer to Statutory Reserve	<u>6,933,000</u>	<u>5,946,000</u>
	27,731,230	23,779,564
Less - Transfer to General Reserve	<u>1,500,000</u>	<u>1,500,000</u>
Current Year Surplus	<u>26,231,230</u>	<u>22,279,564</u>
Closing Surplus/(Deficit)	<u>1,893,480,197</u>	<u>1,867,248,967</u>
Total	<u>2,509,917,151</u>	<u>2,475,252,921</u>
NOTES - 4 : NON - CURRENT LIABILITIES		
4.1 Long- Term Borrowings - Unsecured		
Security Deposit	57,802,563	57,802,563
4.2 Long- Term Provisions		
For Employees Benefits	765,175	742,916
	<u>58,567,738</u>	<u>58,545,479</u>
NOTES - 5 : CURRENT LIABILITIES		
5.1 Short -Term Borrowings (Unsecured)	-	49,006,353
From Bodies Corporate Repayable on Demand		
5.2 Other Current Liabilities		
Liabilities for Expenses	169,124	161,079
Liabilities for Statutory Dues	76,992	5,744,974
5.3 Short Term Provisions		
5.3A Contingent Provision for Standard Assets		
Opening Balance	1,116,735	2,609,421
Addition / (Adjusted) during the year	<u>90,513</u>	<u>(1,492,686)</u>
	1,207,248	1,116,735
5.3B Provision for Diminution in value of Investment	26,370,626	-
Addition / (Adjusted) during the year	<u>55,726,131</u>	<u>26,370,626</u>
	82,096,757	26,370,626
	<u>83,304,005</u>	<u>27,487,361</u>
The above provision is made @ 0 . 25% of Standard Assets on the reporting date as per RBI Notification No- DNBS.222/CGM(US) -2011 dated 17th January,2011.		
5.3C Provision for Non Performing Assets	8,394,233	-
Addition / (Adjusted) during the year	<u>12,988,236</u>	<u>8,394,233</u>
	21,382,469	8,394,233
Total Current Liabilities	<u>104,932,590</u>	<u>90,794,000</u>

SUDHA APPARELS LIMITED

NOTE : 6 FIXED ASSETS

TANGIBLE ASSETS		GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK	
		AS AT 01.04.2013	AS AT 31.03.2014	AS AT 31.03.2014	FOR THE YEAR	SALES/ ADJUSTMENTS	UPTO 31.03.2013	UPTO 31.03.2014	AS AT 31.03.2014
Land - Gurgaor	31,768,200	-	31,768,200	-	-	-	-	31,768,200	31,768,200
Land - Hissar	82,004,293	-	82,004,293	-	-	(2,458,013)	(2,458,013)	84,462,306	84,462,306
Land - Kolkata	214,396,852	-	214,396,852	-	-	-	-	214,396,852	214,396,852
Building - Gurgaor	56,904,410	-	56,904,410	1,881,223	-	19,279,953	21,161,176	35,743,234	37,624,457
Building - Rented Mall	592,145,673	-	592,145,673	26,096,955	-	70,206,569	96,303,524	495,842,149	521,939,104
Building - Kolkata	6,305,558	-	6,305,558	278,073	-	744,093	1,022,166	5,283,392	5,561,465
Lift	3,363,486	-	3,363,486	112,628	-	2,800,346	2,912,974	450,512	563,140
Office Equipments	59,924	-	59,924	7,124	-	42,114	49,238	10,686	17,810
Furniture & Fixtures	46,016	-	46,016	794	-	41,629	42,423	3,593	4,387
Total	986,994,412	-	986,994,412	28,376,797	-	90,656,691	119,033,488	867,960,924	896,337,721
Previous Year	993,343,019	-	986,994,412	29,897,052	2,458,013	63,217,652	90,656,691	896,337,721	

CAPITAL WORK IN PROGRESS

DESCRIPTION	OPENING	ADDITIONS	SALES/ ADJUSTMENTS	AS AT 31.03.2014
WIP - Land	3,945,804	2,137,302	-	6,083,106
Total	3,945,804	2,137,302	-	6,083,106

SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

	As At 31.03.2014		As At 31.03.2013	
NOTES - 7 : NON - CURRENT INVESTMENT (Fully paid up unless otherwise specified)	Numbers	Rupees	Numbers	Rupees
NON - TRADE				
i) Quoted				
Equity Shares				
Rs. 5 each of Jindal Drilling & Industries L	5,335,000	439,202,514	4,935,000	362,802,514
Rs. 10 each of Haryana Capfin Limited	1,014,322	43,479,630	980,741	43,026,563
Rs. 10 each of JSW Steel Limited	-	-	8,000	5,317,908
Rs. 10 each of Parsvnath Developers Lir	1,000	48,827	1,000	48,827
Rs. 10 each of Videocon Industries Limite	100	17,441	100	17,441
Rs. 10 each of Electrosteel Steels Limite	8,287,592	52,578,545	6,651,613	46,782,516
Rs. 10 each of GOL Offshore Limited	1,500	622,765	1,500	622,765
Rs. 10 each of PSL Limited	-	-	100	7,012
Rs. 10 each of Ispat Industries Limited	-	-	65,800	1,477,251
Rs. 10 each of Uttam Value Steel Limited	59,944	965,552	59,944	965,552
Rs. 10 each of Monnet Ispat & Energy Lir	607,483	347,113,008	607,483	347,113,008
Rs. 5 each of Welspun Corporation Limite	2,800	164,364	2,800	395,867
Rs. 2 each of Aban Offshore Limited	100	47,233	100	47,233
Rs. 10 each of Hindustan Oil Exploration	2,000	470,786	2,000	470,786
Rs. 10 each of Selan Exploration Tecnolc	1,100	435,456	1,100	435,456
Rs. 1 each of Jindal Steel & Power Limite	17,466	9,564,590	17,466	9,564,590
Rs. 10 each of Shiv-vani Oil & Gas Explo	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. 2 each of Jindal Saw Limited	6,000	758,939	6,000	758,939
Rs. 1 each of NMDC Limited	5,000	1,177,641	5,000	1,177,641
Rs. 10 each of Oil India Limited	875	444,373	875	444,373
Rs. 1 each of Sesa Sterlite Limited	300	82,081	300	82,081
Rs. 10 each of Welspun Enterprises Limi	140	231,503	-	-
ii) Un - Quoted				
a) Equity Shares				
Rs. 10 each of Crishpark Vincom Limited	81,600	818,020	81,600	818,020
Rs. 10 each of Dytop Commodeal Limite	85,700	861,240	85,700	861,240
Rs. 10 each of Jindal Global Finance & Ir	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 Dealcomm Limite	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. Lir	100,000	1,000,000	100,000	1,000,000
Rs. 10 each of Jindal Explodril Limited	9,500	95,000	9,500	95,000
Rs. 10 each of Neptune BUILTtech Pvt. Lim	9,810	98,405	9,810	98,405
Rs. 10 each of Sigma Infrastructure Pvt. I	9,800	98,415	9,800	98,415
Rs. 10 each of Kushagra Infrastructure P	1,195,000	36,059,450	1,195,000	36,059,450
b) Preference Shares				
Rs. 10 each of Global Jindal Fininvest Lir	250,000	25,000,000	250,000	25,000,000
Rs. 10 each of Crishpark Vincom Limited	775,000	120,000,000	75,000	15,000,000
Rs. 10 each of Jindal Global Finance & Ir	200,000	10,000,000	200,000	10,000,000
c) NCD's				
Antarctica Properties Co. Limited	8	40,000,000	-	-
		1,150,920,050		930,073,125
Aggregate Value of Unquoted Investments		212,456,833		107,456,833
Aggregate Value of Quoted Investments		898,463,217		822,616,292
Market Value of Quoted Investments		1,099,330,460		1,186,266,710

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.

All investment in Preference Shares are optionally convertible as per terms of issue and redeemable after 3 years but before 7 year from date of allotment. These shares carry preferential right of cumulative dividend @ 12% per annum from date of allotment.

140 nos. of Equity Shares of Welspun Enterprises Limited was issued due to demerger of Welspun Corporation Limited Dt.21.02.2014 in the ratio of 1:20.

SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements

	As At 31.03.2014 Rupees	As At 31.03.2013 Rupees
<u>NOTE - 8 : LONG TERM LOANS & ADVANCES</u>		
(Unsecured, Considered good)		
8.1 Capital Advances	119,828,187	205,128,187
8.2 Security Deposit	589,070	589,070
	<u>120,417,257</u>	<u>205,717,257</u>
<u>NOTES - 9 : CURRENT ASSETS</u>		
9.1 <u>INVENTORIES</u>		
<u>Stock in Trade</u>		
	<u>47,507,925</u>	<u>212,244,611</u>
	47,507,925	212,244,611
9.2 <u>TRADE RECEIVABLES</u>		
(Unsecured, Considered good)		
Outstanding for a period exceeding six months		
Other Receivable	-	-
	51,410,069	34,978,953
	<u>51,410,069</u>	<u>34,978,953</u>
9.3 <u>CASH AND CASH EQUIVALENTS</u>		
Cash on hand		
	45,445	79,438
Balances with Banks		
- In Current Accounts	5,743,681	16,260,718
	5,789,126	16,340,156
9.4 <u>SHORT TERM LOANS AND ADVANCES</u>		
(Unsecured, Considered Good)		
Loans to Bodies Corporates	334,029,266	325,508,037
Other Short-Term Advances	100,558,090	1,186,955
Advance Income Tax (Net of Provision Rs. 172,789,161/-, Previous Year Rs 132,289,161/-)	(3,988,214)	5,529,901
Total Short-Term Loans & Advances	<u>430,599,142</u>	<u>332,224,893</u>
Total Current Assets	<u>535,306,262</u>	<u>595,788,613</u>

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

SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements	Year ended 31.03.2014 Rupees	Year ended 31.03.2013 Rupees
NOTES - 10 : INCOME		
10.1 REVENUE FROM OPERATIONS		
Sale of Mutual Fund Units Quantitative Details given separately	318,002,575	502,096,720
Dividend Income - on Non current Investment	7,661,665	4,089,455
Interest Income (TDS Rs.3,195,165/-, Previous Year Rs.5,271,82)	33,272,918	41,132,605
Net Profit / (Loss) on Sale of Non-Current Investments	841,175	1,004,020
Total Revenue from operations	359,778,333	548,322,800
10.2 OTHER INCOME		
Rent (TDS Rs.12,786,720/-, Previous Year Rs.11,968,952/-)	127,687,692	119,140,776
Profit from Agriculture activity (Net)	-	394,394
Gain on Transfer of Agricultural Land	-	2,458,013
Liabilities Written Off	-	7,314
Total other Income	127,687,692	122,000,497
Total Income	487,466,025	670,323,297
NOTE - 11 : EXPENSES		
11.1 Purchases of Stock in Trade		
Item - Mutual Fund Units	148,000,000	600,000,000
11.2 Decrease/(Increase) in Stock in Trade		
Item - Mutual Fund Units		
Opening Stock	212,244,611	103,700,000
Less - Closing Stock	47,507,925	212,244,611
Decrease/(Increase) in Stock in Trade	164,736,686	(108,544,611)
11.3 EMPLOYEES' BENEFIT EXPENSES		
Salaries & Other Allowances	809,360	668,224
Staff Welfare Expenses	56,861	22,826
	866,221	691,050
11.4 INTEREST & FINANCE COSTS		
Interest on Unsecured Short Term Loan	706,457	57,379,794
Bank Charges	12,237	1,817
	718,694	57,381,611
11.5 OTHER EXPENSES		
D.P. Charges	5,152	4,310
Rent	195,000	195,000
Rates & Taxes	5,960	18,000
Postage & Telephone	30,877	23,895
Printing & Stationery	4,630	4,669
Fee & Subscription	15,298	13,797
Travelling & Conveyance	59,009	27,017
Repair & Maintenance- Others	92,721	303,073
Legal & Professional Charges	66,276	151,485
Insurance	177,118	207,749
Internal Audit Fee	10,000	5,000
Advertisement & Publicity	54,840	62,400
Auditors' Remuneration :		
- Audit Fee	39,326	39,326
- Tax Audit Fee	6,742	6,742
- Certification / others services	13,484	9,548
Miscellaneous Expenses	22,084	28,447
Total	798,517	1,100,458

SUDHA APPARELS LIMITED

Notes forming part of the Financial Statements	Year ended 31.03.2014 Rupees	Year ended 31.03.2013 Rupees
NOTE : 12 - Earning Per Share		
Net Profit after Tax	34,664,230	29,725,564
Total Number of Weighted Equity Shares	727,012	727,012
Earning Per Equity Share of Rs 10/- each	47.68	40.89

NOTE : 13 - DEFERRED TAX ASSETS/(LIABILITIES)

For WDV of Fixed Assets	4,705,051	4,429,574
For Expenses Allowable on Payment	248,261	241,039
Unabsorbed Capital Losses	23,328,920	23,245,193
Deferred Tax Asset/(Liability) on Balance Sheet Date	28,282,231	27,915,806
Less Opening Balance	27,915,806	24,572,212
Deferred Tax Income/(Expense) for the year	366,425	3,343,594

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

Related Parties with whom Transactions have taken place during the Year

Name of Key Managerial Person

Mrs. Savita Jindal

Associated Company

Kushagra Infrastructure Pvt. Limited

Transactions with Related Party during the year

Payment for Other Services to Related Party		
Key Management Personnel	60,256	59,093
Rent Paid to Related Parties		
Key Management Personnel	195,000	195,000
Remuneration Paid to Related Parties		
Key Management Personnel	Nil	15,000
Balance Payable by the Company to Related Party		
Key Management Personnel	25,728	13,692
Loan Paid to related party		
Maximum amount involved	7,000,000	Nil

NOTE - 15 CONTINGENT LIABILITIES NOT ACCOUNTED FOR

15.1 Estimated Value of Contracts remaining to be executed or Capital Account (Net of Advances) not Provided for		
Gross Value of Contract	-	100,000,000
Less Advance Paid	-	75,000,000
Net Amount	-	25,000,000
15.2 Disputed Income Tax Demand		
A.Y. 2009-2010 F.Y. 2008-2009	453,410	453,410
A.Y. 2010-2011 F.Y. 2009-2010	7,480	7,480
A.Y. 2011-2012 F.Y. 2010-2011	34,016,030	-
Net Unpaid Amount (A.Y.- 2009-10, 2010-11 & 2011-12)	34,476,920	460,890

SUDHA APPARELS LIMITED

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-Deposit Accepting or Holding Companies Prudential Norms (Reserve bank) Directions, 2007 sepretaly attached as Annexure - 1.

NOTE - 18 MANAGERIAL REMUNERATION PAID DURING THE YEAR

Details of Managerial Remuneration

Salaries & Allowances	Nil	Nil
-----------------------	-----	-----

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

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

As per our report of even date attached

For KHANDELWAL PRAJAPATI & CO
Chartered Accountants
Firm Registration No. 313154E

For & on Behalf of the Board

V.N. Khandelwal
Partner
Membership No. 52862

Rajesh Gupta
Co. Secretary

Manmohan Mittal
Director

Savita Jindal
Director

Place : Kolkata
Dated : 29-05-2014

Sudha Apparels Limited

Annexure – 1

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company
[as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

(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	49,006,353	-
	(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	543,408,819	
(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	-	

Sudha Apparels Limited

(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	822,616,292
	(b) Preference	-
	ii. Debentures and Bonds	-
	iii. Units of mutual funds	-
	iv. Government Securities	-
	v. Others (please specify)	-
	2. Unquoted:	
	i. Shares: (a) Equity	57,456,833
	(b) Preference	50,000,000
	ii. Debentures and Bonds	-
	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	1,911,404,468	930,073,125
	Total	1,911,404,468	930,073,125

** 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	83,942,331
	Net Non-Performing Assets	
	(a) Related parties	-
	(b) Other then related parties	75,548,098
	(iii) Assets acquired in satisfaction of debts	-

**Disclosure pursuant to Reserve Bank of India Notification DNBS (PD).CC No.
125/03.05.002/2008-2009 dated August 1, 2008 (Guidelines for NBFC-ND-SI as regards
capital adequacy, liquidity and disclosure norms)**

AS ON 31.03.2014

CRAR

Items		Current Year	Previous Year
i)	CRAR (%)	96.98	95.66
ii)	CRAR – Tier I Capital (%)	96.93	95.62
iii)	CRAR – Tier II Capital (%)	00.05	00.04

Exposures**Exposure to Real Estate Sector**

(Rupees in crores)

Category		Current Year	Previous Year
a)	Direct Exposure		
i)	Residential Mortgages	-	-
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (individual housing loans upto Rs. 15 lacs may be shown separately)	-	-
ii)	Commercial Real Estate-		
	Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential building, multi tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	11.98	20.51
iii)	Investment in Mortgage Backed Securities (MBS) and other securitized exposures -		
	a. Residential	-	-
	b. Commercial Real Estate	-	-
b)	Indirect Exposure		
	Fund based and non-fund based exposures on National Housing bank(NHB) and Housing Finance Companies (HFCs)	-	-

Asset Liability Management**Maturity pattern of certain items of assets and liabilities**

(Rs. in crore)									
	1 day to 30/31 Days (One Month)	Over one months upto 2 months	Over 2 months upto 3 months	Over 3months upto 6 months	Over 6 months upto 1 year	Over one upto 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from Banks	-	-	-	-	-	-	-	-	-
Market/other borrowings	-	-	-	-	-	5.78	-	-	5.78
Assets									
Advances	-	-	-	43.41	-	11.98	-	-	55.39
Investments	-	-	-	-	-	89.85	-	25.24	115.09

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: www.sudhaapparels.com; Email: investors@sudhaapparels.com

ATTENDANCE SLIP

Folio No

DP Id*

Client Id*

I hereby record my presence at the 33rd Annual General Meeting of the Company held at 2/5, Sarat Bose Road, Sukh Sagar, Flat No.8A, 8th Floor, Kolkata-700 020 at 10.30 A.M on Monday 29th September, 2014.

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.

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: www.sudhaapparels.com; Email: investors@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 Sudha Apparels Limitedholding shares, hereby appoint

1) Name:

Address:.....

Email:.....

Signature.....or failing him/her

2) Name:

Address:.....

Email:.....

Signature.....or failing him/her

3) Name:

Address:.....

Email:.....

Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General meeting of the Company, to be held on Monday, 29th September, 2014 at 10.30 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.	Adoption of the Audited Balance Sheet as on 31 st March, 2014, the Statement of Profit and Loss for the year ended 31 st March, 2014, the report of Directors and Auditors thereon.		
2.	Re-appointment of Smt. Savita Jindal who retires by rotation		
3.	Appointment of Auditors and fixing their remuneration		
4.	Appointment of Shri Mangat Ram Garg as Director of the Company		
5.	Appointment of Shri Mangat Ram Garg as Whole-time Director of the Company		
6.	Appointment of Shri R.K. Banthia as Independent Director of the Company		
7.	Appointment of Shri Sandeep Shah as Independent Director of the Company		

*Applicable for investors holding shares in electronic form.

Signed this Day of 2014



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: www.sudhaapparels.com; Email: investors@sudhaapparels.com

BALLOT FORM

(To be returned to the Scrutinizer appointed by the Company)

Name of Member(s) :

.....

Registered Address :

.....

Folio No./DP ID & Client ID No. :

No. of Equity Shares held

I/we hereby exercise my/our vote in respect of the following resolutions to be passed at the 33rd Annual General Meeting of the Company, to be held on Monday, 29th September, 2014 at 2/5, Sarat Bose Road, Sukh Sagar, Flat No.8A, 8th Floor, Kolkata-700 020 In respect of the businesses as stated in the Notice dated 1st September, 2014 by conveying my/our assent or dissent to the said resolution(s) by placing the tick (✓) mark at the box against the respective matters:

Sr. No.	Description of business as set out in the Notice dated 1 st September, 2014	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Adoption of the Audited Balance Sheet as on 31 st March, 2014, the Statement of Profit and Loss for the year ended 31 st March, 2014, the report of Directors and Auditors thereon.			
2.	Re-appointment of Smt. Savita Jindal who retires by rotation			
3.	Appointment of Auditors and fixing their remuneration			
4.	Appointment of Shri Mangat Ram Garg as Director of the Company			
5.	Appointment of Shri Mangat Ram Garg as Whole-time Director of the Company			
6.	Appointment of Shri R.K. Banthia as Independent Director of the Company			
7.	Appointment of Shri Sandeep Shah as Independent Director of the Company			

Place:

Date:

Signature:

INSTRUCTIONS

- I. A member desirous to exercise vote by Ballot Form may complete this Ballot and send it to the scrutinizer at the registered office of the company. Envelopes containing Ballot Form(s), if deposited in person or sent by courier or registered / speed post will also be accepted.
- II. This Form should be completed and signed by the Member (as per the specimen signature registered with the Company/ Registrar /Depository Participants). In case of Joint holding, this Form should be completed and signed by the first named Member and in his / her absence by the next named Member.
- III. In case of shares held by Companies, Trusts, Societies etc. the duly completed Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority letter duly attested by authorized signatory(ies).
- IV. Duly completed Ballot Form should reach Scrutinizer on or before the close of working hours on Saturday 20th September, 2014 at 5.00 P.M. All Ballot Forms received after this date will be strictly treated as if reply from such Members has not been received.
- V. The Company will not be responsible if the envelope containing the Ballot form is lost in transit.
- VI. There will be only one Ballot Form for every Folio irrespective of numbers of joint holder(s).
- VII. A Member need not use all the votes or cast all the votes in the same way. The voting rights of the members shall be in proportion to their shares in total paid up equity share capital of the company as on 22nd August, 2014.
- VIII. Incomplete, unsigned or incorrect Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Ballot will be final and binding on the concerned Member and the Company.
- IX. The Company is providing this facility to all its Members to cast their votes by using the Ballot Form.