

# **37<sup>th</sup> ANNUAL REPORT**

**2017-18**

**SUDHA APPARELS LIMITED**

# SUDHA APPARELS LIMITED

## BOARD OF DIRECTORS

Mangat Ram Garg - Whole-time Director  
R.K. Banthia  
Savita Jindal  
Vibhore Kaushik

## AUDIT COMMITTEE

R.K. Banthia *Chairman*  
Mangat Ram Garg  
Vibhore Kaushik

## COMPANY SECRETARY

Rajesh Gupta

## CFO

Arup Kumar Mitra

## AUDITORS

Bidasaria & Associates  
Chartered Accountants  
14<sup>th</sup> Princep Street,  
3<sup>rd</sup> Floor, Suite # 5  
Kolkata-700072

## BANKERS

ICICI Bank Limited  
HDFC Bank Limited

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignment Limited  
Alankit Heights,  
1E/13, Jhandewalan Extension,  
New Delhi – 110055

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# SUDHA APPARELS LIMITED

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report along with Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2018.

## FINANCIAL RESULTS

The highlights of the financial results are as under:

	Rs.	
	<u>Year ended</u> <u>31.03.2018</u>	<u>Year ended</u> <u>31.03.2017</u>
<b>Total Income</b>	<b>80,67,28,706</b>	114,28,95,228
<b>Profit before exceptional and Extra-Ordinary items and tax</b>	<b>3,82,23,420</b>	15,67,72,215
Less:		
Provision for diminution in value of investments	<b>(37,61,26,934)</b>	(13,36,34,151)
Provision for Non- Performing Assets	<b>(83,33,599)</b>	61,714
Profit/(loss) before tax	<b>42,26,83,953</b>	29,03,44,652
Provision for Taxation	<b>5,51,69,823</b>	4,15,00,000
<b>Profit/(loss) after Tax</b>	<b>36,75,14,130</b>	24,88,44,652
Balance brought forward from previous year	<b>186,10,99,365</b>	166,20,24,054
<b>Profit available for appropriation</b>	<b>322,86,13,495</b>	191,08,68,706
<b>APPROPRIATIONS</b>		
-Transfer to Statutory Reserve	<b>7,35,02,826</b>	4,97,69,341
-Balance carried to Balance Sheet	<b>215,51,10,669</b>	186,10,99,365
	<b>322,86,13,495</b>	<b>191,08,68,706</b>

## DIVIDEND

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

## **RESULTS OF OPERATIONS**

Total income of the Company during the year was Rs. 8067.29 lakhs as against Rs. 11428.95 lakhs in the previous year. The profit before tax during the year was Rs. 4226.84 lakhs as against Rs. 2903.45 lakhs in the previous year. The profit after tax was Rs. 3675.14 lakhs as against Rs. 2488.45 lakhs in the previous year.

## **SUBSIDIARY COMPANIES**

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

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

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

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

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

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

## **BOARD MEETINGS**

During the year 2017-18, 6 (Six) Board meetings were held. The details of which are given in the Corporate Governance Report, which forms part of this report.

## **BOARD EVALUATION**

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

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

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

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

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

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

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

#### **RISK MANAGEMENT**

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

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

#### **INTERNAL FINANCIAL CONTROLS**

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

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

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) that in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed and there are no material departures;
- (ii) that the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- (iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Annual Accounts for the year ended 31<sup>st</sup> March, 2018 have been prepared on a going concern basis;
- (v) that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively and
- (vi) that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

#### **EXTRACT OF ANNUAL RETURN**

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

## **AUDIT COMMITTEE**

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

## **VIGIL MECHANISM**

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

## **CORPORATE SOCIAL RESPONSIBILITY**

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

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

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

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

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

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

## **CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance Report along with Auditors' Certificate regarding compliance of conditions of Corporate Governance has been annexed as part of this Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

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

## **AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules framed thereunder, M/s Bidasaria & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company from the conclusion of 36th Annual General Meeting of the Company held on 30th September, 2017 till the conclusion of 41st Annual General Meeting.

The observations of the Auditors are explained wherever necessary in the appropriate Notes on Accounts. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **COST RECORDS**

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

## **SECRETARIAL STANDARDS**

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

## **SECRETARIAL AUDIT**

The Board has appointed M/s Hemant Singh and Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year ended 31<sup>st</sup> March, 2018. The Secretarial Audit Report for the year ended 31<sup>st</sup> March, 2018 is annexed herewith as an annexure to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **FIXED DEPOSITS**

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

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

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

## **PARTICULARS OF EMPLOYEES**

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

## **MATERIAL CHANGES & COMMITMENTS**

No material changes and commitments, effecting the financial position of the Company have occurred after the end of the financial year ended 31<sup>st</sup> March, 2018 and till the date of this report.



## **ACKNOWLEDGEMENT**

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

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

For and on behalf of the Board

Place: Gurgaon  
Dated: 8<sup>th</sup> August, 2018

<b>Savita Jindal</b>	<b>Mangat Ram Garg</b>
Director	Whole Time Director
DIN: 00449740	DIN: 00449709

**Annual Report on Corporate Social Responsibility (CSR)**

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

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

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

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

3. **Average net profit of the Company for last three financial years - Rs. 401.48 Lakhs**

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – Rs. 8.03 Lakhs**

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

(a) Total amount to be spent for the financial year – 8.03 Lakhs

(b) Amount unspent, if any – Nil

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

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

N.A.

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

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

<b>Savita Jindal</b>	<b>Mangat Ram Garg</b>
Director	Chairman CSR Committee

Sr. No.	CSR Project or Activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other and (2) Specify the State and district where projects or programs was undertaken.	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs subheads :(1) Direct Expenditure (2) Overheads	Cumulative Expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	Health care including preventive health care	Health care including preventive health care	Hissar, Haryana	50,00,000	50,00,000	50,00,000	Direct
	<b>Total CSR Spend</b>			<b>50,00,000</b>	<b>50,00,000</b>	<b>50,00,000</b>	

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> March, 2018**

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

To,  
The Members,  
**SUDHA APPARELS LIMITED**  
2/5, Sarat Bose Road, Sukh Sagar,  
Flat No. 8A, Kolkata-700020

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SUDHA APPARELS LIMITED ("the Company")** for the financial year ended on **31<sup>st</sup> March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);

- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **(Not applicable to the Company during the Audit Period)**;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **(Not applicable to the Company during the Audit Period)**;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client with respect to issue of securities;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **(Not applicable to the Company during the Audit Period)**; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**;
- (vi) Other laws applicable specifically to the Company namely:
- a. Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 and Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 and other relevant guidelines and circulars issued by Reserve Bank of India from time to time and periodic reporting's done by the Company.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, as per our audit of records of the Company and as per the explanations and clarifications given to us, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions of the Board were carried out through unanimous votes, no dissenting views of any Director was recorded in the minutes maintained by the Company.

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

**We further report that** during the audit period there has not been any such activity having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Hemant Singh & Associates  
Company Secretaries**

**Date: 8<sup>th</sup> August, 2018**

**Place: New Delhi**

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

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

### **Annexure A**

To,  
The Members,  
**SUDHA APPARELS LIMITED**  
2/5, Sarat Bose Road, Sukh Sagar,  
Flat No. 8A, Kolkata-700020

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

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

**For Hemant Singh & Associates  
Company Secretaries  
Hemant Kumar Singh  
Partner  
Membership No. 6033  
Certificate of Practice No. 6370**

**8<sup>th</sup> August, 2018**

**Place: New Delhi**

## SUDHA APPARELS LIMITED

### Form AOC-1

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

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

##### Part "A" Subsidiaries:

Sr. No.	Particulars	Name of Subsidiaries: CRISHPARK VINCOM LIMITED
1.	Reporting period for the subsidiary concerned	31.03.2018
2.	Reporting currency and Exchange rate as on the last date of the relevant financial year in case of foreign subsidiaries	Indian Rupee
3.	Share Capital	1,30,02,000
4.	Reserves and Surplus	(1,52,31,317)
5.	Total Assets	95,45,55,653
6.	Total Liabilities	95,45,55,653
7.	Investments	90,86,98,593
8.	Turnover	35,27,198
9.	Profit before taxation	7,42,80,476
10.	Provision for taxation	0
11.	Profit after taxation	7,42,80,476
12.	Proposed Dividend	Nil
13.	% of shareholding	51.67

##### Notes:

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

##### Part "B" Associates and Joint Ventures

Sr. No.	Particulars	Name of Associate KUSHAGRA INFRASTRUCTURE PRIVATE LIMITED
1.	Latest audited Balance Sheet Date	31.03.2018
2.	Shares of Associate/Joint Ventures held by the Company on the year end	50%
	- No. of Equity Shares	11,95,000
	-Amount of Investment in Associates/Joint Venture	3,60,59,450
	- Extent of Holding (%)	50.00
3.	Description of how there is significant influence	Shareholding exceeding 20% of paid-up share capital
4.	Reason why the associate/joint venture is not consolidated	Associate has been consolidated
5.	Net-worth attributable to Shareholding as per latest audited Balance Sheet	2,12,02,638
6.	Profit/(loss) for the year	
	i. Considered in consolidation	(17,400)
	ii. Not Considered in consolidation	Nil

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

Arup Kumar Mitra  
CFO

Rajesh Gupta  
Company Secretary

Savita Jindal  
Director

Mangat Ram Garg  
Whole-time Director

DIN:00449709

DIN: 00449740

**SUDHA APPARELS LIMITED**

Form No. MGT-9

**Extract of Annual Return**As on the financial year ended on 31<sup>st</sup> March, 2018[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Commercial Loan and Investment	65923	87.83
2	Leasing of self-owned non-residential building	70104	12.17

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Crishpark Vincom Limited	U51109WB1994PLC065299	Subsidiary	51.67%	2(87)(ii)
2	Kushagra Infrastructure Private Limited	U29120WB2005PTC102950	Associate	50.00%	2(6)



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

***i) Category-wise Share Holding***

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April, 2017)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March, 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>PEOMOTERS</b>									
<b>(1) Indian</b>									
a) Indian/HUF	426835	-	426835	58.71	426835	-	426835	58.71	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	107416	-	107416	14.78	107416	-	107416	14.78	0.00
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub - Total</b>	<b>534251</b>	<b>-</b>	<b>534251</b>	<b>73.49</b>	<b>534251</b>	<b>-</b>	<b>534251</b>	<b>73.49</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub - Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoters (A) = (A)(1)+(A)(2)</b>	<b>534251</b>	<b>-</b>	<b>534251</b>	<b>73.49</b>	<b>534251</b>	<b>-</b>	<b>534251</b>	<b>73.49</b>	<b>0.00</b>
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-

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

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2017)			Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	D.P. Jindal	69900	9.61	0.00	69900	9.61	0.00	0.00
2	D.P. Jindal (HUF)	35150	4.83	0.00	35150	4.83	0.00	0.00
3	Saket Jindal	70000	9.63	0.00	70000	9.63	0.00	0.00
4	Savita Jindal	106662	14.67	0.00	106662	14.67	0.00	0.00
5	Raghav Jindal	145123	19.96	0.00	145123	19.96	0.00	0.00
6	Jindal Global Finance and Investment Ltd.	107416	14.77	0.00	107416	14.77	0.00	0.00
	<b>Total</b>	<b>534251</b>	<b>73.49</b>	<b>0.00</b>	<b>534251</b>	<b>73.49</b>	<b>0.00</b>	<b>0.00</b>

**(iii) Change in Promoters' Shareholding**

Sr. No.	Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2017)		Date	Increase/Decrease in shareholding	Reason	Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
NO CHANGE DURING THE YEAR								

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

Sl. No.		Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2017)		Increase/Decrease during the year		Cumulative Shareholding at the end of the year (As on 31 <sup>st</sup> March, 2018)	
		No. of shares	% of total shares of the company	No. of shares	Reason	No. of shares	% of total shares of the company
1	Pushpanjali Investrade Pvt. Ltd.	70,000	9.63	-	N.A.	70,000	9.63
2	GVN Fuels Limited	36,000	4.95	-	N.A.	36,000	4.95
3	Flakt Dealcomm Ltd.	35,761	4.92	-	N.A.	35,761	4.92
4	Gautam Fin-Invest Pvt. Ltd.	3,000	0.41	-	N.A.	3,000	0.41
5	Dharambir Singh	850	0.12	-	N.A.	850	0.12
6	Shiv Kumar Sharma	850	0.12	-	N.A.	850	0.12
7	B.P. Roy	800	0.11	-	N.A.	800	0.11
8	Satya Prakash Goyal	800	0.11	-	N.A.	800	0.11
9	Pawan Kumar Verma	800	0.11	-	N.A.	800	0.11
10	Ajay Joshi	800	0.11	-	N.A.	800	0.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year 01.04.2017		Increase/Decrease during the year		Cumulative Shareholding at the end of the year 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	Reason	No. of shares	% of total shares of the company
1	Smt. Savita Jindal – Director	106662	14.67	0	N.A.	106662	14.67
2	Shri R.K. Banthia – Director	0	0.00	0	N.A.	0	0.00
3	Shri Vibhore Kaushik – Director	0	0.00	0	N.A.	0	0.00
4	Shri Mangat Ram Garg -Director	0	0.00	0	N.A.	0	0.00
5	Shri Arup Kumar Mitra - CFO(KMP)	0	0.00	0	N.A.	0	0.00
6	Shri Rajesh Gupta – CS (KMP)	0	0.00	0	N.A.	0	0.00

**VI. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1<sup>st</sup> April, 2017)</b>				
i) Principal Amount	0	65,90,43,408	0	65,90,43,408
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	65,90,43,408	0	65,90,43,408
<b>Change in Indebtedness during the financial year</b>				
· Addition	0	54,31,79,361	0	54,31,79,361
· Reduction	0	0	0	0
<b>Net Change</b>	0	54,31,79,361	0	54,31,79,361

Indebtedness at the end of the financial year (31 <sup>st</sup> March, 2018)				
i) Principal Amount	0	120,22,22,769	0	120,22,22,769
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	0	120,22,22,769	0	120,22,22,769

## VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONEL

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

Sl. no.	Particulars of Remuneration	Mr. Mangat Ram Garg, WTD (Rs.)	Total Amount (Rs.)
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,46,147	12,46,147
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	<b>Total (A)</b>	12,46,147	12,46,147

**B. Remuneration to other Directors:**

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Mr. Rajesh Gupta, CS	Mr. Arup Kumar Mitra, CFO	Total
1.	Gross salary	N.A.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,		9,42,349	3,54,934	12,97,283
	(b) Value of perquisites u/s				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total	N.A.	9,42,349	3,54,934	12,97,283

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

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

For and on behalf of the Board

Place: Gurgaon  
Dated: 8<sup>th</sup> August, 2018

**Savita Jindal**      **Mangat Ram Garg**  
Director              Whole Time Director  
DIN: 00449740      DIN: 00449709

## SUDHA APPARELS LIMITED

### CORPORATE GOVERNANCE REPORT

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

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

#### 1. BOARD OF DIRECTORS

##### Composition

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

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

##### Board Functioning and Procedure

During the year ended 31<sup>st</sup> March, 2018, the Board of Directors met (6) six times on 29<sup>th</sup> April, 2017, 30<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 11<sup>th</sup> January, 2018, and 8<sup>th</sup> February, 2018. The Board periodically reviews the compliance report of all laws applicable to the Company. The names and categories of the Directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting and also the number of Directorships held by them in other companies as on 31<sup>st</sup> March, 2018 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	5	No	1	-	-
Shri M.R. Garg	Executive	-	6	Yes	4	-	-
Shri R.K. Banthia	Independent	-	5	Yes	4	-	-
Shri Vibhore Kaushik	Independent	-	5	N.A.	2	1	-

##### Note:

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



## **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

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

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

During the year under review, the Independent Directors met on 8<sup>th</sup> February, 2018. All Independent Directors were present at the meeting.

### **Familiarisation Programme**

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

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

## **2. AUDIT COMMITTEE**

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

The responsibilities of the Audit Committee include overseeing the financial reporting process, to ensure fairness, sufficiency and credibility of financial statements, review findings of internal auditors relating to various functions, recommendation of appointment and removal of statutory auditors, internal auditors and cost auditors and fixation of their remuneration; review of the quarterly and annual financial statements before submission to the Board With particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013; review of adequacy and compliance of internal control systems and the internal audit function; review of compliance with laws; inspection of records and audit reports and reports of statutory auditors; review of findings of internal investigations; review of statement of significant related party transactions; review of management letters/letter of internal control, weaknesses issued by statutory auditors, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any in the payment to shareholders; review the functioning of the Whistle Blower mechanism etc.

## COMPOSITION

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

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

During the year under review 4 Audit Committee meetings were held on 30<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 8<sup>th</sup> February, 2018. The composition, names of the members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

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

## INTERNAL AUDIT

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

## 3. NOMINATION AND REMUNERATION COMMITTEE

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

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

The Nomination and Remuneration Committee comprised of three Non-Executive Directors. The Chairman of the Committee is an Independent Non-Executive Director. During the year under review meetings of the Nomination and Remuneration Committee were held on 30<sup>th</sup> May, 2017 and 8<sup>th</sup> February, 2018.

Name of the Members	Designation	No. of Meetings attended
Shri R.K. Banthia	Chairman	2
Shri Vibhore Kaushik	Member	2
Smt. Savita Jindal	Member	2

## Nomination and Remuneration Policy

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

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

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

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

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

## Directors' Remuneration

Remuneration paid to the Directors during the financial year ended 31st March, 2018 are as under:

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

(Amount in Rs.)

Name	Salary	Perquisites and other benefits	Total
Shri Mangat Ram Garg	12,46,147	Nil	12,46,147

(b) The Non- Executive Directors are entitled to be paid by way of sitting fees for meetings of the Board of Directors and Audit Committee. During the year ended 31<sup>st</sup> March, 2018 no remuneration was paid to Non-Executive Directors in view of them having waived their entitlement to receive the sitting fee.

Apart from being entitled to Directors' remuneration by way of sitting fee for attending meetings of the Board and Audit Committee, none of the Non- Executive Directors had any pecuniary relationship or transactions with the Company during the year ended 31st March, 2018.

## 4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

<b>Members</b>	<b>Designation</b>
Shri Mangat Ram Garg	Chairman
Shri R.K. Banthia	Member
Shri Vibhore Kaushik	Member

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

During the year under review, the said Committee met on 10<sup>th</sup> August, 2017. All members of the Committee were present at the meeting.

## **5. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

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

### **COMPOSITION**

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

<b>Name of the Members</b>	<b>Designation</b>
Smt. Savita Jindal	Chairperson
Shri Mangat Ram Garg	Member

### **Compliance Officer**

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

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

Number of Shareholders complaints received during the period 01.04.2017 to 31.03.2018	:	Nil
Number of complaints not solved to the satisfaction of shareholders	:	Nil
Number of pending complaints as on 31.03.2018 which were solved later on.	:	Nil

### **DESIGNATED EMAIL ID FOR INVESTORS**

The Company has designated the following e-mail ID exclusively for redressal of investor grievance i.e. [secretarial@sudhaapparels.com](mailto:secretarial@sudhaapparels.com)

### **SUBSIDIARY COMPANIES**

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

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

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

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

## 6. GENERAL BODY MEETINGS

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

Financial year	Date	Location of the Meeting	Time
2014-15	30.09.2015	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 <sup>th</sup> Floor, Kolkata- 700 020	11.30AM.
2015-16	30.09.2016	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 <sup>th</sup> Floor, Kolkata- 700 020	11.30AM.
2016-17	28.09.2017	Registered Office of the Company at 2/5, Sarat Bose Road, Sukh Sagar, Flat No. 8A, 8 <sup>th</sup> Floor, Kolkata- 700 020	11.30AM.

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

- a) In the AGM held on 29<sup>th</sup> September, 2015 : Approval of related party transactions with Sigma Infrastructure Private Limited
- b) In the AGM held on 30<sup>th</sup> September, 2016 : No Special resolution was passed:
- c) In the AGM held on 28<sup>th</sup> September, 2017 : No Special resolution was passed:

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

## 7. MEANS OF COMMUNICATION

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

## 8. GENERAL SHAREHOLDERS INFORMATION

(a) **Annual General Meeting:**

Date and Time: 28<sup>th</sup> September, 2018 at 11:30 A.M.

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

(b) **Financial Year:** 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

(c) **Dividend Payment Date:** N.A.

(d) **Listing on stock Exchange**

The Equity Shares of the Company are listed on The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata- 700 001 (West Bengal) and Listing Fee upto 2018-19 has been duly paid.

**(e) Stock Code**

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

**(f) Market Price Data**

There was no trading of shares on CSE during the period from 1st April, 2017 to 31st March, 2018.

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

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

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

In spite of submission of all information to CSE Limited, and enquiring from them the reasons for suspension of trading in its securities the Company has not received any reply in the matter.

**(i) Registrar and Transfer Agent**

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

**(j) Share Transfer System:**

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

**(k) Distribution of shareholding as on 31st March, 2018**

No. of Equity Shares held	No. of Share-holders	% of share-holders	No. of Shares held	% of Shareholding
Upto 5000	62	84.93	51000	7.02
5001 to 50000	5	6.85	106911	14.70
50001 to 100000	3	4.11	209900	28.87
100001 and Above	3	4.11	359201	49.41
<b>Total</b>	<b>73</b>	<b>100.00</b>	<b>727012</b>	<b>100.00</b>

## Shareholding Pattern as on 31st March, 2018:

Category	No. of Shares held	% of Shareholding
Promoters	534251	73.49
Private Bodies Corporate	144761	19.91
Indian Public	48000	6.60
Grand Total	727012	100.00

(l) **Dematerialization of shares**

77.01% of total paid-up equity shares of the Company were in dematerialized form as on 31<sup>st</sup> March, 2018.

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

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

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

There is no commodity, exchange risk and hedging activities during the year.

(o) **Plant Locations: N.A.**

(p) **Address for correspondence:**

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

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

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

## 9. OTHER DISCLOSURES

**a) Related Party Transactions**

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

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

**b) Details on Non Compliance**

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

**c) Vigil Mechanism/Whistle Blower Policy**

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

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

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

**A. Shareholder Rights**

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

**B. Modified opinion(s) in audit report**

The Financial Statements of the Company are unqualified..

**C. Reporting of Internal auditor**

Internal Audit Reports are directly reported to audit committee.

**CODE OF CONDUCT**

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

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

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

This is to certify that, all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended 31<sup>st</sup> March 2018.

Date: 8<sup>th</sup> August, 2018

**Mangat Ram Garg**  
Whole Time Director



## AUDITORS' CERTIFICATE

To  
The Members of  
Sudha Apparels Limited

1. We, Bidasaria & Associates Chartered Accountants, the Statutory Auditors of Sudha Apparels Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

### **Managements' Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### **Auditor's Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion**

7. Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations, during the year ended 31st March, 2018.
8. 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 Bidasaria & Associates  
Chartered Accountants  
Firm Registration No. 315101E**

**(CA. Rajkumar Bidasaria)**  
Partner  
Membership No. 052251

**PLACE:** Kolkata  
**DATED:** 8<sup>th</sup> August, 2018

## **SUDHA APPARELS LIMITED**

### **Management Discussion and Analysis**

Forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2018

#### **FORWARD LOOKING STATEMENTS**

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

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

#### **ECONOMIC ENVIRONMENT OVERVIEW**

The Indian economy posted a growth of 6.6% in FY2017-18 compared to 7.1% in FY2016-17 as the first round of effects of demonetisation and the implementation of GST played out. However, a host of other policies, implemented during and before FY2017-18, such as the Insolvency and Bankruptcy Code, reforms in the real estate sector in the form of RERA, allowing of FDI in various industries, fast-tracking of project clearances, various measures for financial inclusion, etc., are expected to drive growth upwards, going forward. While the IMF projects that India's GDP will increase at 7.4% in FY2019 and 7.8% in FY2020, the World Bank expects growth to reach 7.3% in FY2019 and rise further to 7.5% in FY2020.

NBFCs have always played an important role in promoting financial inclusion in India. They have been complementing and supplementing the banking sector in reaching out credit to the un-banked segments of the society. The biggest contribution of NBFCs is their ability to cater to the needs of the Micro, Small & Medium Enterprises (MSMEs) which form the cradle of entrepreneurship and innovation in India.

#### **BUSINESS OUTLOOK**

Going forward, economic activity is expected to gather pace in F.Y. 2018-19, benefiting from a conducive domestic and global environment. Following factors will contribute towards it:

- the teething troubles relating to implementation of the GST are receding.
- Credit off take has improved in the recent period and is becoming increasingly broad-based, which portends well for the manufacturing sector and new investment activity.
- large resources mobilization

#### **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.

