



Annual Report  
2018-19



SUUMAYA

THE BLENDED SOUL

Suumaya Lifestyle Limited  
(formerly known as RICHWAY INTERNATIONAL TRADE LIMITED)

## COMPANY INFORMATION AS ON MARCH 31, 2019

### BOARD OF DIRECTORS

Ms. Ishita Gala

Mr. Satish Khimawat

Mr. Ankit Gala

Mr. Sharad Jain

Managing Director

Non-Executive, Independent Director

Additional Non-Executive, Independent Director

Additional Non-Executive, Independent Director

### KEY MANAGERIAL PERSONNEL

Mr. Ushik Gala

Ms. Karishma Kaku

Mrs. Heena Shah

Chief Executive Officer

Chief Financial Officer

Company Secretary and Compliance Officer

### BANKERS

ICICI Bank Limited

HDFC Bank Limited

Indusind Bank Limited

Axis Bank Limited

Shri Arihant Co-op Bank Limited

### STATUTORY AUDITORS

M/s. Motilal & Associates, Chartered Accountants

304, Orchid Plaza, Behind Gokul Shopping center,

Next to Platform No.1, Off S.V.Raod, Borivali (W),

Mumbai - 400092.

### INTERNAL AUDITORS

Sudheendra & Company LLP, Chartered Accountants

B-301, Kamla Habitat, Kalina,

Santacruz (E), Mumbai - 400098.

### SECRETARIAL AUDITORS

Rinkesh Gala & Associates, Practicing Company Secretaries

14, 2nd Floor, New Mother India,

Jai Javan Lane, Malad (E), Mumbai - 400097

### REGISTERED OFFICE

Gala No.5F/D, Malad Industrial Units, Coop Soc Ltd,

Kachpada, Ramchandra Lane Extension, Malad (W),

Mumbai – 400 064, Maharashtra, India.

CIN: L70102MH2011PLC220879

Tel: (022)– 49712096

Email: [info@suumayalifestyle.com](mailto:info@suumayalifestyle.com)

Website: [www.suumayalifestyle.com](http://www.suumayalifestyle.com)

### FACTORY ADDRESS

C7, 139/138, Bhumi World, Pimplas Village,

Mumbai - Nashik Highway,

Before Kalyan - Bhiwandi Naka,

Opp. Tata Amantra, Pimplas, Thane - 421302.

### REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

1<sup>st</sup>Floor, Bharat Tin Works Building,

Opp. Vasant Oasis Apartments,

Makwana Road, Andheri (E), Mumbai-400059.

Tel: (022) – 6263 8200

Fax: (022) –6263 8299

Email:[investor@bigshareonline.com](mailto:investor@bigshareonline.com)

Website:[www.bigshareonline.com](http://www.bigshareonline.com)

## INDEX

CEO Speech	17
Notice of the Annual General Meeting	19
Board's Report with Annexure	26
Management Discussion and Analysis	34
Independent Auditor's Report	39
Financial Statements with Notes	44
Attendance Slip and Route Map	61
Proxy Form	63

” THE  
**DIFFERENCE**  
BETWEEN  
STYLE  
AND **FASHION**  
IS **QUALITY** ”

**SHOP ONLINE**  
[www.suumayaindia.com](http://www.suumayaindia.com)



## Management background



**MAHESH GALA**  
FOUNDER & COO

- 32+ yrs of experience in textile industry
- Overseeing end to end operational processes of the Company



**ISHITA GALA**  
MANAGING DIRECTOR

- Commerce graduate and semi Actuary
- 2+ years of experience in textile industry
- Experienced in business management and employee engagement
- Responsible for management and administrative functions of the Company



**USHIK GALA**  
CEO

- Commerce Graduate and Chartered Accountant
- 5+ years of experience in textile industry
- Looks after finance, expansion and business development, marketing and brand building activities



**KARISHMA KAKU**  
CFO

- Commerce graduate
- 3+ years of experience in accounts and taxation
- Responsible for managing accounts and taxation compliance for the Company

## Board Profile



**SHARAD JAIN**  
INDEPENDENT DIRECTOR

- Commerce graduate, MBA - London
- 20+ years of experience in dealing with equity investment, corporate governance and equity market.



**SATISH KHIMAWAT**  
INDEPENDENT DIRECTOR

- Commerce graduate
- 20+ years of experience in business and finance



**ANKIT GALA**  
INDEPENDENT DIRECTOR

- Commerce graduate and Chartered Accountant
- 8+ years of experience in accountancy, taxation and financial management compliance



**For your cocktail parties**



Designed using imported fabrics and natural dyes that give a rich and elegant look which caters to all the fashion needs of Indian Women



**Flaunt the desi in you**

Intricately designed traditional Indian fabrics infused with contemporary styles



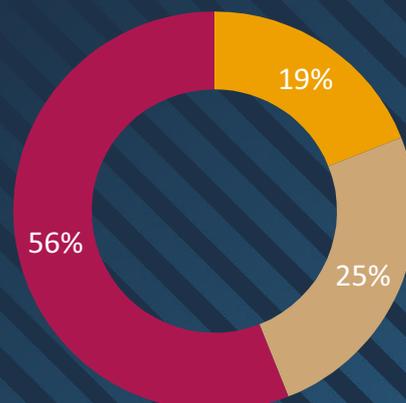
**For the working women**



Formal as well as casual wear designed to look exquisite while maintaining affordable prices

**SHARE OF BRANDS (%)**

■ Tag9 ■ Ekaa ■ IRA





## Vision

To be recognized as one of the most dynamic and finest quality producers of women wear across the globe.



## Mission

Our mission is to innovate continually and deliver confident clothing to women across all the age groups



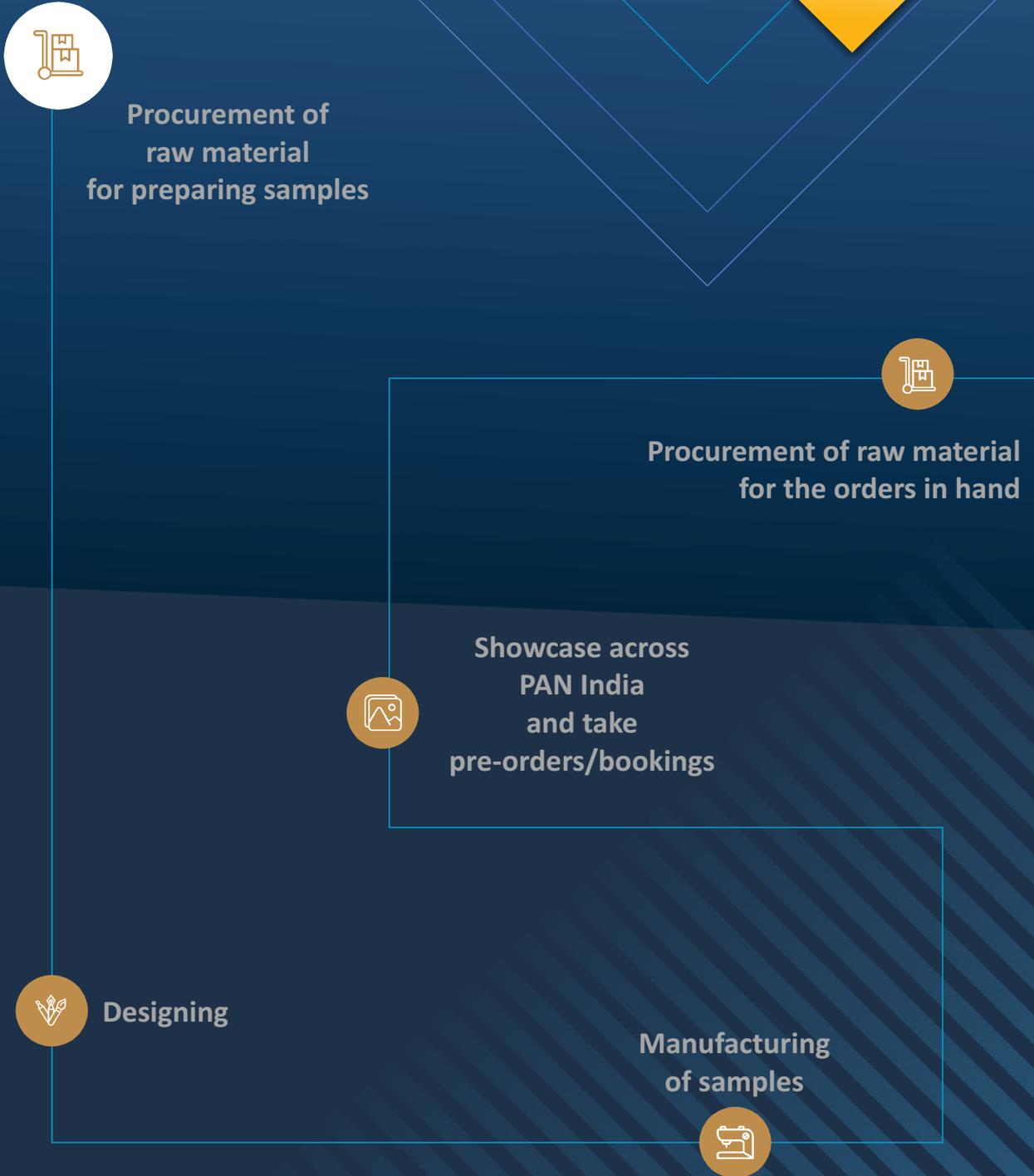
## Value System

We believe in maintaining transparency with all our stakeholders. We firmly believe that it leads to creating sustainable growth.

“Our designs can simply be described in 3 words:  
Creative | Innovative | Exquisite

# Business Process

From Designing to Manufacturing



# Business Process

From Post Manufacturing to Selling

**1<sup>st</sup> level** inspection of raw material at supplier's godown



**2<sup>nd</sup> level** inspection of raw material at our factory



Manufacture finished goods as per orders in hand



**3<sup>rd</sup> level** final quality check prior to dispatch of goods. Quality officers approve the order for packaging and dispatching to our customers.



Dispatch



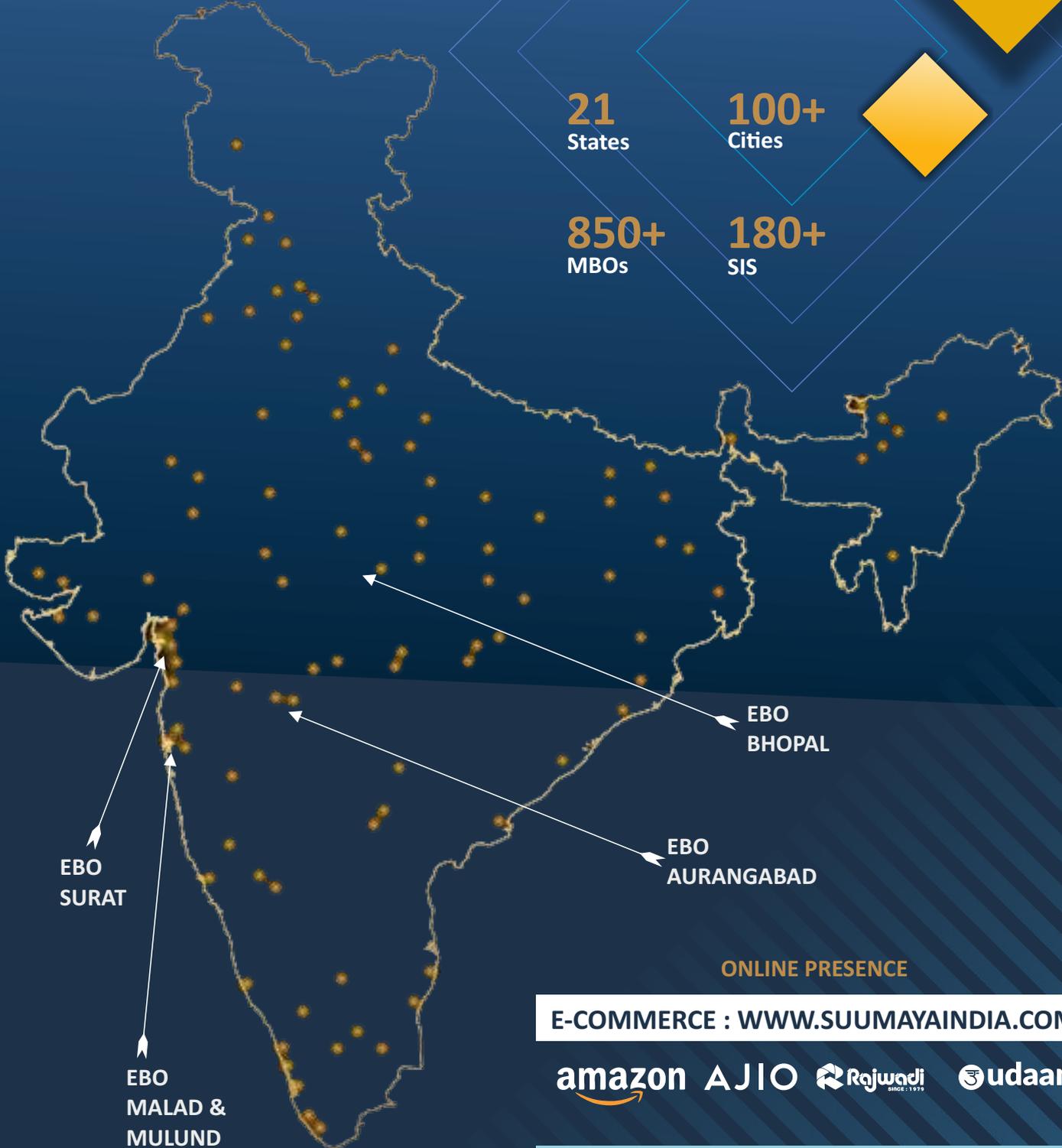
Post sales service, including feedback



Sales collection activities



# Our Presence



### ONLINE PRESENCE

E-COMMERCE : [WWW.SUUMAYAINDIA.COM](http://WWW.SUUMAYAINDIA.COM)



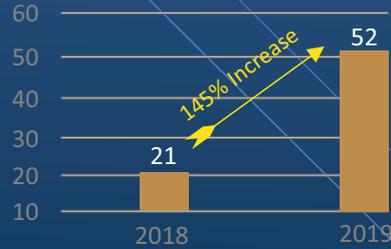
We are pleased to announce entry into overseas markets via Dubai  
Our first overseas outlet will be operational by the end of this financial year i.e. FY 2020

# Financial Highlights

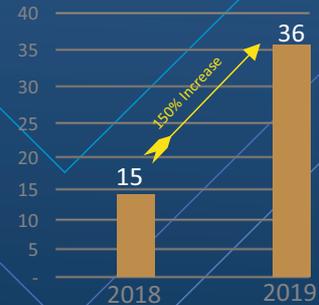
REVENUE (Rs. Million)



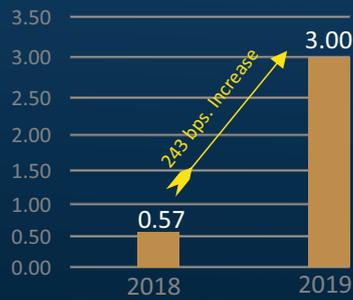
EBIDTA (Rs. Million)



PAT (Rs. Million)



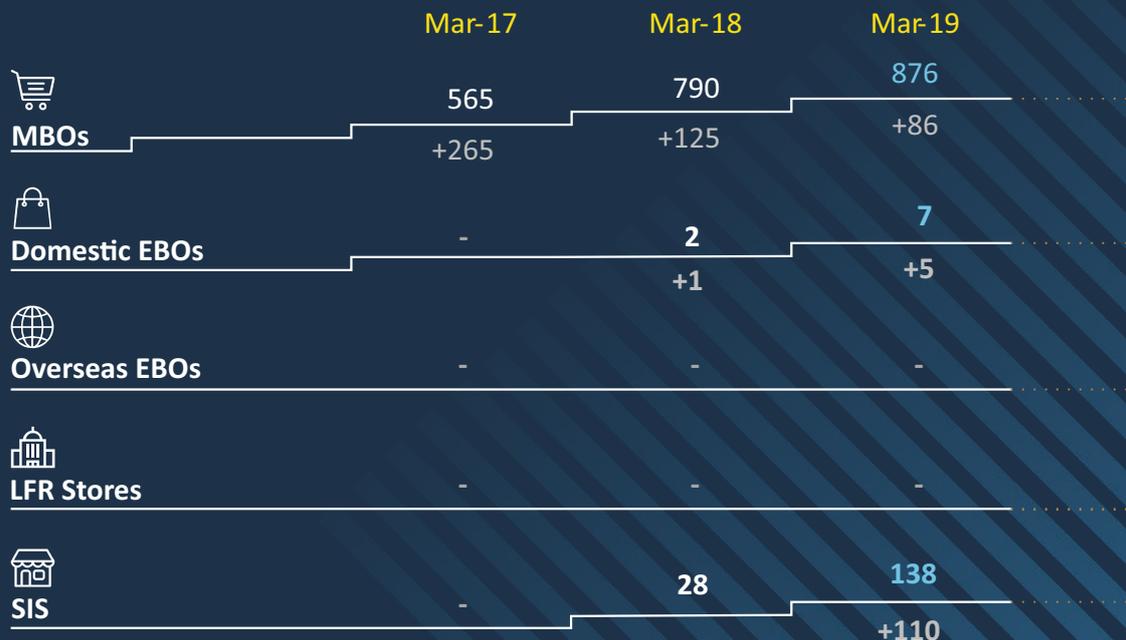
EBIDTA Margin %



Net Profit Margin %



# Our Growth Story



## CMAI Exhibition 2019



### LAUNCH OF WESTERN WEAR COLLECTION



### AUTUMN WINTER COLLECTION 2019



# Celebrity & Influencers Activity



*Debnaz Irani*

*Pooja Vaid*



*Mirnimai*



*Shibani Kashyap*



# Event - R-Mall Marathon

Stay Motivated



Support a Cause



Sustainability



Fitness First



# Event - The Josh Marathon

Be Inspired

Be Strong



Be Encouraged

Be Smart



## Event - Women's Day at R Mall & Prozone Mall

**"Charming women doesn't follow the CROWD. She is HERSELF."**



**"Flaunt your uniqueness in STYLE."**



**"Where There is WOMEN, There is MAGIC."**



**"M-POWERING Fashion for empowering women."**



**"SIMPLICITY and ELEGANCE are the key notes of TRUE FASHION."**



# E-Commerce Platform - www.suumayaindia.com

Register or sign in

SELECT INR



Home

SHOP



- Fusion Wear
- Party Wear
- Smart Casual
- Semi Ethnic
- Work Wear
- Western Wear



## New Arrivals



Home / Smart Casual / I-5003



IRA-5003

### I-5003

₹ 1,720.00

This product is made from cotton & chanderi and finished in an attractive orange color. It features 3/4th sleeves, round neck, and is targeted towards women.

Size  S  M  L  XL  2XL  3XL  4XL  5XL



SIZE GUIDE



**ATTITUDE DEFINES YOU, not your size.**



**Delivering confident clothing**



Dear Shareholders,

It is my privilege to present before you the 8<sup>th</sup> Annual Report of Suumaya Lifestyle Ltd for the year ended March 31, 2019. The Company has shown good all-round growth amidst numerous business challenges. It is my privilege and pleasure to talk about our Company's performance and the achievements during the previous financial year 2018-19.

In its very own humble manner, the Company has been playing a very important and responsible role in growing and giving shape to India's Readymade Apparel Sector. The domestic textile industry is one of the very important sectors of the Indian economy and within this, the apparel segment is very crucial to our economic growth, both from the domestic perspective as it is one of the largest employment generating sector as well as from the perspective of earning valuable foreign exchange. For the company, the year gone by has been a phenomenal year in many ways, as after a successful IPO, the Company has embarked on a journey to scale new heights in several spheres - manufacturing, marketing, selling and distribution and employees strength.

The Company is primarily a player in the manufacturing and marketing of designer women apparels - ethnic wear, indo western wear and western wear under the brand name "Ekka", "Ira" and "Tag 9" respectively. In recent years, the readymade garment segment has seen vertical growth of 20%.

The largest consumer segment includes the age-group of 16-35 years that is brand conscious, gives priority to latest design and quality and has high spending potential. If one were to think in terms of opportunity, the domestic readymade garment market is still in a budding phase. As far as the women apparel segment goes, it is the second largest segment, constituting 38% of overall demand. The robust growth in this segment can be attributed to growing urbanisation, rising income levels, increased brand consciousness, rising number of working women and more college going females. Also, the changing consumer preference, increased influence of media publicity and easy availability of apparel in various colours, size and patterns are the other drivers of demand in this segment.

The Company has been able to leverage this rising demand effectively, this is attributable to our strength in sourcing quality fabric, excellent in-house fabric design and production capabilities besides enduring quality and end-product finish. The brand philosophy of the Company is to assure customer satisfaction by providing high quality designer garments at affordable prices thus bridging the gap between quality products and affordable fashion which is admired by the ever growing middle class. Eco-friendly garments crafted from sustainable fabrics like organic cotton have created a niche in increasing awareness in friendly consumer market. The Company has pioneered and established its foothold in organic cotton, which gives it an edge over its peers. The Company aims to launch western wear for women and kids wear during the current fiscal to be a one stop shop for women apparels.

During the financial year 2018-19, the Company's total income was Rs. 175 crore as against Rs. 377.43 crore in FY 2017-18. Taking into account the long term sustainability, a strategic decision was taken of discontinuing trading business which had lower margins and was highly working capital intensive. Although the total income reduced, the net profit soared by 150.34% to Rs. 3.45 crore for FY 2018-19 as compared to Rs. 1.45 crore in FY 2017-18. The healthy growth of bottomline is achieved due to channelizing resources on manufacturing business of own brand with better margins, establishing of a Pan-India presence and penetrating in different markets.

Pragmatic business policies and strategies have enabled the company to be on the desired path, as envisioned by the management, right from the outset. Some of the significant being continuous emphasis on scaling market penetration in virgin markets, reduction of costs and enhancing operational efficiency focus on developing and maintaining long term sustainable relationships with our stakeholders, manufacturing

quality end-products and constant innovation in designs and prevailing trends. Further, the Company has incurred considerable expenditure in brand building, positioning activities during the year, the benefits of which will be reaped, going forward. All of these have reinforced our ability to stay ahead in the dynamic women apparels segment.

The Company raised funds through an Initial Public Offering by way of fresh issue and Offer for sale of Equity Shares during the financial year 2018-19. The incremental funds have enabled the Company to escalate the scale of operations. Further to support the sustainable growth in various verticals like kids wear and women western wear, the Company proposes to raise further funds by issue of equity shares on preferential basis during the financial year 2019-20.

During the year, the Company's employee strength has risen from 18 to 34, mainly the sales and marketing team. We are committed to provide continuous training to the skilled and unskilled manpower in a way that our human capital becomes an accelerating force in enhancing the productivity & profitability.

The Company has a promising future; especially the fruits of the efforts put in by the various teams will be visible by the end of FY 2020. Our employees are co-partners in our progress and constitute an irreplaceable resource. The Board of Directors and Management are a unique and eclectic blend of millennial and seasoned senior generation who have strong vision and execution capabilities. They understand the needs of various stakeholders and incorporate ingenious ideas in various operations of the Company to achieve newer milestones relentlessly. During the previous year, the hard work of the management got recognition in the form of "Jewels of Gujarat" Award for outstanding entrepreneurship skills.

Credit is also due to the in-house design, production team and research team – all of whom work relentlessly to create trendsetting and high quality merchandise. The Company has expanded the manufacturing capacity to fulfill the growing demand of the market. And our Sales & Marketing team which has worked untiringly to build awareness about our brands on various forums – B2B, retail, trade fairs, corporate sponsorships and social media during the year. The Company now has strong and expansive network of distributors, agents, wholesalers and retailers across India. The Company has sponsored outfits of the leading character in a famous Gujarati Play. The Company has also started its Exclusive retail stores and "Store in Store" in

Metros and Tier II cities like Mumbai, Surat, Bhopal and Aurangabad, where the sales have been robust. As is the order of the day, we have recently also set up our presence on e-commerce platforms to sell products online. All these measures have contributed to the soaring top line, brand visibility and brand trust.

We are eagerly looking forward to a year of achieving new milestones and unlocking shareholders value.

On behalf of the Board of Directors, I once again express my gratitude to all our stakeholders viz customers, investors, suppliers, partners and especially our people.

Yours faithfully

USHIK GALA  
CEO

## **NOTICE**

Notice is hereby given that the **Eighth (8<sup>th</sup>) Annual General Meeting (AGM)** of the Members of **SUUMAYA LIFESTYLE LIMITED** ('the Company') will be held on **FRIDAY, SEPTEMBER 27, 2019 AT 3.00 P.M. AT HOTEL DAFFODILS 23, LINK HOUSE, LINK RD, NEXT TO TOYOTA SHOWROOM, RAJAN PADA, MINDSPACE, MALAD WEST, MUMBAI, MAHARASHTRA 400064**, to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and the Auditors thereon.
2. To confirm the Interim Dividend aggregating to Rs. 0.10/- per equity share of Rs. 10/- each, already paid for the financial year ended March 31, 2019.
3. To appoint a Director in place of Ms. Ishita Mahesh Gala (DIN: 07165038), who retires by rotation and being eligible, offers herself for re-appointment.
4. To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of five years until the conclusion of the 13<sup>th</sup> Annual General Meeting and to fix their remuneration and to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014, (including any re-enactment or modification thereto), and such other applicable provisions, if any, M/s. Chahan Vora & Associates, Chartered Accountants, Mumbai, firm registration number 147060W be and are hereby appointed as the Statutory Auditors of the Company, at a remuneration as may be mutually agreed to, between the Board of Directors and the Auditors, plus applicable taxes, out-of-pocket expenses, traveling and other expenses, in connection with the work of audit to be carried out by them, to hold office of Statutory Auditor till the conclusion of the Thirteenth Annual General Meeting."

### **SPECIAL BUSINESS:**

#### **5. Regularization of Appointment of Mr. Ankit Gala as an Independent Non-Executive Director**

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

**"RESOLVED THAT** Mr. Ankit Gala (holding DIN: 08271752) who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company w.e.f November 13, 2018 and who holds office upto the date of this AGM in terms of Section 161 of the Companies Act, 2013 ("the Act") but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Ankit Gala, a Non-Executive Director of the Company, who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, for a term of five years, commencing from September 27, 2019 to September 26, 2024."

#### **6. Regularization of Appointment of Mr. Sharad Jain as an Independent Non-Executive Director**

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

**"RESOLVED THAT** Mr. Sharad Jain (holding DIN: 01686035) who was appointed by the Board of Directors as an Additional Non Executive Independent Director of the Company w.e.f January 11, 2019 and who holds office upto the date of this AGM of the Company in terms of Section 161 of the Companies Act, 2013 ("the Act") but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Sharad Jain, a non-executive Director of the Company, who meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment be and is hereby appointed an Independent Director of the Company, not liable to retire by rotation, for a term of five years, commencing from September 27, 2019 to September 26, 2024."

**For Suumaya Lifestyle Limited**  
By Order of the Board of Directors

**Ishita Mahesh Gala**  
**Managing Director**  
**DIN: 07165038**

Date: August 12, 2019

Place: Mumbai

#### **Registered Office:**

Gala No.5F/D, Malad Industrial Units,

Coop Society Limited Kanchpada, Ramchandra Lane Extension,  
Malad (W) Mumbai, Maharashtra - 400064 IN.

CIN: L70102MH2011PLC220879

## NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered office, duly completed and signed, not less than FORTY-EIGHT HOURS before the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions / authority, as applicable. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Members.
2. Corporate Members/AOPs intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution/Authority, pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote on their behalf at the ensuing Annual General Meeting.
3. The Notice of the Meeting will also be available on the Company's website [www.suumayalifestyle.com](http://www.suumayalifestyle.com) and on the website of Central Depository Securities Limited ("CDSL") at [www.evotingindia.com](http://www.evotingindia.com).
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 25, 2019 to September 27, 2019 (both days inclusive).
5. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is attached and forms part of this Notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, of persons seeking appointment / re-appointment as Directors under Item No. 5 & 6 of the Notice, are annexed as Annexure A.
6. Member/proxies shall bring the enclosed attendance slip duly filled in, for attending the meeting. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and Public Holidays, between 11.00 a.m. to 4.00 p.m. up to the date of AGM.
7. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.
8. The statutory registers will be available for inspection of Members at the Annual general Meeting.
9. Members can avail of the facility of nomination with respect to shares held by them in electronic mode by contacting their respective Depository Participants to avail this facility.
10. Members are requested to notify their change of address, Email ID, bank account details, if any, to the Company/Share Transfer Agent, Bigshare Services Private Limited, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartment, Makwana Apartment, Andheri (E), Mumbai - 400 059, Tel: 022-6263 8200 or e-mail at [investor@bigshareonline.com](mailto:investor@bigshareonline.com).
11. Those Members who have so far not encashed their dividend demand drafts for interim dividend 2018-19, may approach the Registrar and Share Transfer Agents, for making their claim without any further delay.
12. Members are requested to forward their queries on the accounts for the financial year ended March 31, 2019 to the Company atleast 10 days in advance, to enable us to keep the required information available at the Meeting.
13. The route-map to the venue of the AGM is attached.
14. Electronic copy of the Annual Report along with the Notice of 08<sup>th</sup> Annual General Meeting is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year ended March 31, 2019 is being sent in the permitted mode. 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 Report, Notices, Circulars, etc. from the Company electronically since the Company insists on going green.
15. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard-2 and SEBI Listing Regulations, the Company is offering 'E-voting' facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited ("CDSL") to facilitate E-voting. The detailed procedure with respect to E-voting is mentioned later in the Notice. Resolutions passed by Members through e-voting or ballot forms are deemed to have been passed as if they have been passed at the Annual General Meeting (AGM) of the Company.
16. A Member can opt for only one mode of voting i.e. either through Postal Ballot Form or E-voting. If a Member casts votes by both modes, then the voting done through E-voting shall prevail and the Ballot Form shall be treated as invalid.

17. The Company has appointed Mr. Rinkesh Gala, Practising Company Secretary (Membership No.: 42486) as the Scrutinizer for scrutinizing the E-voting process to ensure that the process is carried out in a fair and transparent manner.
18. The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the chairperson of the Meeting or a person authorized by him/her in writing, who shall countersign the same and declare the results of the voting forthwith.
19. The Results declared along with Report of the Scrutinizers shall be placed on the website of the Company [www.suumayalifestyle.com](http://www.suumayalifestyle.com) and on the website of CDSL immediately after the declaration of results. The results shall also be communicated to the National Stock Exchange (NSE) and displayed on the Notice Board of the Company at the Registered Office at Gala No.5F/D, Malad Industrial Units Co-op Soc. Ltd, Kachpada Ramchandra Lane Extension, Malad (W) Mumbai 400064.
20. Notice is being sent to all the Members whose names appear in the Register of Members / Beneficial Owners as per the records maintained by the depositories as on the cut-off date and only such Members shall avail the facility of voting through Ballot Form or E-voting. Voting rights shall be reckoned on the paid-up value of the shares held by such Members.
21. A person who is not a Member as on the cut-off date should treat this notice for information purposes only.
22. The voting on items included in the Notice cannot be exercised through proxy.
23. In the event of any grievance relating to E-voting, the Members / Beneficial Owners may contact the following: Mr. Rakesh Dalvi, Manager, A Wing, 25 Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel(E), Mumbai – 400013, e-mail: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Helpdesk: 1800 22 5533.
24. All the material documents referred to in the explanatory statement are available for inspection at the registered office of the Company on any working day, except Saturday, Sunday and holiday, between 11:00 a.m. to 5:00 p.m. from the date of dispatch of notice till the date of AGM.

## **INSTRUCTIONS FOR VOTING**

### **Procedure for voting through electronic means**

- (i) The voting period begins on September 24, 2019 at 09:30 a.m. and ends on September 26, 2019 at 05:00 p.m. During this period shareholders' of the Company, holding shares in dematerialized form, as on the cut-off date of September 20, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> </ul> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Suumaya Lifestyle Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (iv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- In case of members receiving the physical copy:**
- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on September 24, 2019 at 09:30 a.m. and ends on September 26, 2019 at 05:00 p.m.. During this period shareholders' of the Company, holding shares in dematerialized form, as on the cut-off date September 20, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

### **Item No. 4**

The tenure of Statutory Auditors, M/s Motilal & Associates, Chartered Accountants expires at the conclusion of 8<sup>th</sup> AGM of the Company. Considering the size and scale of operations of the Company, the Audit Committee and the Board of Directors have recommended to appoint M/s Chahan Vora & Associates, Chartered Accountants, Mumbai having firm registration number 147060W, as statutory auditors for five years till conclusion of 13th AGM of the Company at proposed remuneration of Rs 1.00 lakhs excluding out of pocket expenses, taxes and payment for any other services viz certification, tax audit etc. The proposed remuneration is at par with the remuneration paid to statutory auditors for last fiscal 2018-2019 & there are no material changes in the statutory audit fees.

M/s Chahan Vora & Associates have conveyed their consent to be appointed as the Statutory Auditors of the Company along with the confirmation that their appointment, if approved by the shareholders, would be within the limits prescribed under the Act.

Your Directors recommend the resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution except to the extent of their shareholding.

### **Item No. 5**

Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("the Act") and applicable SEBI (LODR) Regulation, 2015, Mr. Ankit Gala (DIN: 08271752) was appointed as an Additional Independent Director on the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee with effect from November 13, 2018, to hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing from a member proposing the candidature of Mr. Ankit Gala as an Independent Director of the Company. The Nomination & Remuneration Committee has recommended and the Board has approved the re-appointment of Mr. Ankit Gala as Independent Director as per his letter of appointment for a period of five years from September 27, 2019 to September 26, 2024 subject to approval of Members.

Mr. Ankit Gala has consented to act as an Independent Director and has given his declaration to the Company that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Ankit Gala as Independent Director is now being placed before the Members for their approval.

All the relevant documents, contracts, the terms and conditions of appointment of Mr. Ankit Gala as Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 11:00 a.m. to 5:00 p.m. on all working day, (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting.

The brief profile of Mr. Ankit Gala as per Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements), 2015 is annexed to the Notice as Annexure A.

Your Directors recommend the resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution except to the extent of their shareholding.

### **Item No. 6**

Mr. Sharad Jain was appointed as an Additional Independent Director on the Board of Directors of Company on the recommendation of Nomination and Remuneration Committee in their Meeting held on January 11, 2019 with effect from the said date. In accordance with provisions of Section 161 of the Companies Act, 2013 ("the Act") and applicable SEBI (LODR) Regulation, 2015, he will hold office upto the date of ensuing Annual General Meeting.

Mr. Sharad Jain is not disqualified from being appointed as Director in terms of Section 164 of the Act. As per the recommendation of Nomination and Remuneration Committee and based on the performance evaluation, the Board is considering the regularization of appointment of Mr. Sharad Jain, Additional Independent Director to Independent Director of the Company for a period of 5 (Five) years commencing from September 27, 2019 to September 26, 2024.

Mr. Sharad Jain has consented to act as an Independent Director and has given his declaration to the Company that he meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

In compliance with the provisions of section 149 read with Schedule IV of the Companies Act, 2013 the appointment of Mr. Sharad Jain as Independent Director is now being placed before the Members for their approval.

All the relevant documents, contracts, the terms and conditions of appointment of Mr. Sharad Jain as Independent Director of the Company shall be open for inspection by the Members at the Registered Office of the Company between 11:00 am to 5:00 pm

on all working days, (Monday to Friday) except Saturdays, Sundays and holidays upto the date of Annual General Meeting and the same shall be available at the time of Annual General Meeting.

The brief profile of Mr. Sharad Jain as per Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements), 2015 is annexed to the Notice as Annexure A.

Your Directors recommend the resolution for approval of members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in the proposed resolution except to the extent of their shareholding.

#### **Annexure A to the Notice**

##### **Details of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting [In pursuance of Regulation 36(3) of the Listing Regulations]**

Sr. No.	Name of the Directors	Ms. Ishita Mahesh Gala
1.	Director Identification Number	07165038
2.	Date of Birth/Age	13/04/1994 (25 years)
3.	Nationality	Indian
4.	Date of Appointment on the Board	February 07, 2017
5.	Qualifications	Bachelors' Degree in Commerce from Mumbai University and semi-qualified Actuary
6.	Experience and Expertise in specific functional area	Having over three years of work experience in textile industry.
7.	No. of Equity Shares held in the Company as on March 31, 2019	18,87,500
8.	Directorship held in other public companies (excluding foreign companies and Section 8 companies)	1. Suumaya Fabrics Limited - 05/04/2017 2. Hence Agro Development Limited - 07/08/2018
9.	Chairmanships/ Memberships of committees of the other companies	Nil
10.	Relationships, if any between Directors inter-se	No

##### **Details of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting [In pursuance of Regulation 36(3) of the Listing Regulations]**

Sr. No.	Name of the Directors	Mr. Ankit Padamsee Gala
1.	Director Identification Number	08271752
2.	Date of Birth/Age	06/07/1991 (28 years)
3.	Nationality	Indian
4.	Date of Appointment on the Board	November 12, 2018
5.	Qualifications	Graduate from Mumbai University. Qualified Chartered Accountant with 31 <sup>st</sup> All India Rank (AIR). Cleared Level 2 of Chartered Financial Analyst (CFA) from USA.

6.	Experience and Expertise in specific functional area	<p>Eight years of experience in the areas of accountancy, taxation, financial management and compliance.</p> <p>He has vast experience of working in manufacturing sector and has performed audit of various listed companies. His expertise in Treasury management, supply chain management and taxation is enabling the Company to build strong foundation in these critical areas. He is a Practicing Chartered Accountant in KSPM and Associates.</p>
7.	No. of Equity Shares held in the Company as on March 31 , 2019	Nil
8.	Directorship held in other public companies (excluding foreign companies and Section 8 companies)	Nil
9.	Chairmanships/ Memberships of committees of the other companies	Nil
10.	Relationships, if any between Directors inter-se	No

**Details of the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting  
[In pursuance of Regulation 36(3) of the Listing Regulations]**

Sr. No.	Name of the Directors	Mr. Sharad Jain
1.	Director Identification Number	01686035
2.	Date of Birth/Age	14/10/1970 (48 years)
3.	Nationality	Indian
4.	Date of Appointment on the Board	January 11, 2019
5.	Qualifications	Commerce graduate from Mumbai University and MBA from Middlesex Business School, London
6.	Experience and Expertise in specific functional area	<p>Around twenty years of experience in working in various sectors across the globe and dealing with various aspects of equity investment. The areas of expertise and exposure includes incorporating the investment vehicle, investment advice, relationship management, corporate governance, Industry and equity research.</p>
7.	No. of Equity Shares held in the Company as on March 31 , 2019	Nil
8.	Directorship held in other public companies (excluding foreign companies and Section 8 companies)	Duke Corporation Limited
9.	Chairmanships/ Memberships of committees of the other companies	Nil
10.	Relationships, if any between Directors inter-se	No

## BOARD'S REPORT

To  
The Members,

Your Directors are pleased to present the 08<sup>th</sup> Annual Report of the Company along with Audited Accounts for the financial year ended March 31, 2019.

### FINANCIAL PERFORMANCE

Your Company's financial for the year ended March 31, 2019 as compared to the previous financial year ended March 31, 2018 is summarized below:

Particulars	(Amount in Rs.)	
	Current Year 2018-19	Previous Year 2017-18
Sale of Own Branded (Manufactured) Goods	1,75,00,96,802	56,60,98,700
Sale of Traded Goods	Nil	3,20,78,92,633
<b>Total Income</b>	<b>1,75,00,96,802</b>	<b>3,77,43,28,640</b>
Profit before Interest, Depreciation, Tax & Other Amortisations (EBIDTA)	5,24,46,366	2,14,31,742
Net Profit before Taxation	5,08,32,925	2,10,80,832
Net Profit after Tax	3,63,44,406	1,45,39,045

### REVIEW OF BUSINESS OPERATIONS AND STATE OF AFFAIRS

The present Management took the reins of the Company from 2017-18 onwards. During the year under review, strategic decision was taken to discontinue the trading business of women apparels in view of low profit margins and increasing working capital requirement of the business. Hence the company did not generate revenues from trading business during the year under review.

The Company channelized its resources towards end to end production - in-house design, manufacture and market Company's branded products. This has helped to increase the margins and improve brand positioning. The revenues from sale of branded goods increased by 209.15% from Rs. 56,60,98,700/- to Rs. 1,75,00,96,802/-.

Although the total revenues declined by 53.63% from Rs. 3,77,43,28,640/- for the year ended March 31, 2018 to Rs. 1,75,00,96,802/- for the year ended March 31, 2019, the EBIDTA increased by 144.71% from Rs. 2,14,31,742/- to Rs. 5,24,46,366/- and the Net profit after tax soared by 149.98% from Rs. 1,45,39,045/- for the year ended March 31, 2018 to Rs. 3,63,44,046/- for the year ended March 31, 2019.

The Company has established presence in wholesale trade and is setting its footsteps in retail and modern trade by penetrating the market through Store in Stores, Exclusive

Brand Outlets, Franchisees and e-commerce portals. The manpower, infrastructure costs and infusion of working capital has increased substantially during the year under review. Under the robust leadership of the present Management, the Company envisions steady improvement in performance due to its foray in vertical segment of western wear and kids wear, having a dynamic, enthusiastic and young workforce and tapping national and overseas markets.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company do not have any subsidiary, joint venture and associate company during the period under review.

### DIVIDEND AND RESERVES

The Board of Directors of your company declared interim dividend amounting to Rs. 0.10/- per equity share of face value of Rs. 10/- each for the financial year ended March 31, 2019 at the Board Meeting held on November 12, 2018. The same is recommended to be considered as final dividend.

### TRANSFER TO RESERVES

During the year under review, no amounts was transferred to General Reserve.

### AUTHORISED SHARE CAPITAL

During the year, there has been no increase in the authorized share capital of the Company. The authorized share capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- each.

### CHANGE IN CAPITAL STRUCTURE

During the year under review, the Company has successfully raised funds by way of Initial Public Offering (IPO) by way of fresh issue of 18, 88,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 18/- per share. A promoter shareholder Offer for sale of 58,00,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 18/- per share (including a premium of Rs. 8.00/- per share aggregating to Rs. 615.04 Lakhs only). The IPO opened on May 22, 2018 and closed on May 25, 2018. Against the subscription amount received, the Company allotted equity shares on May 31, 2018.

The Company is thankful to all the shareholders for giving an overwhelming response to our SME IPO, which was oversubscribed by more than 1.37 times. As on March 31, 2019, the issued, subscribed and paid up share capital of your Company stood at Rs. 24,00,80,000/- comprising 2,40,08,000 Equity Shares of Rs. 10/- each.

## STOCK EXCHANGE

The Company's shares are listed on National Stock Exchange on the Emerge (SME) Platform. Symbol – **SUULD**

Address of Stock Exchange:

**National Stock Exchange of India Limited,**  
Exchange Plaza, C-1, Block G, Bandra- Kurla Complex,  
Bandra (E), Mumbai – 400 051

## FIXED DEPOSITS

In terms of the provision of Sections 73 and 74 of the Companies Act, 2013 read with the relevant rules, your Company has not accepted any fixed deposits during the year under review.

## CORPORATE GOVERNANCE REPORT

Since the Company is listed on Emerge (SME) platform of National Stock Exchange of India Limited during the year under review, the provisions of Corporate Governance as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulation, 2015 are not applicable to the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Management Discussion and Analysis forms part of this report.

## BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

### Appointment of Director & Key Managerial Personnel

During the year, the following Directors and Key Managerial Personnel were appointed in the Company:

Name	Date of Appointment	Position
Ms. Priya Gandhi	10/09/2018	Company Secretary and Compliance Officer
Mr. Ankit Gala	13/11/2018	Non-executive Independent Director
Mr. Sharad Jain	11/01/2019	Non-executive Independent Director
Ms. Heena Shah	11/01/2019	Company Secretary and Compliance Officer

### Resignation of Director & Key Managerial Personnel

During the year, the following Director and Key Managerial Personnel have resigned from the Company:

Name	Date of Appointment	Position
Mr. Shubham Gandhi	05/09/2018	Company Secretary and Compliance Officer
Ms. Sneha Dutta	13/11/2018	Non-executive Independent Director
Mr. Paras Desai	13/11/2018	Non-executive Independent Director
Ms. Priya Gandhi	16/11/2018	Company Secretary and Compliance Officer

### Retiring by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Ms. Ishita Gala, Managing Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment.

The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

### Declaration of Independence by Independent Directors

The Company has received necessary declarations from all Independent Directors of the Company confirming that they meet the criteria of independence laid down in Section 149(6) of the Companies Act. There has been no change in the circumstances which may affect their status as independent director during the year.

### INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has an Internal Control System, that commensurate with the size, scale and complexity of its operations and that such internal financial controls are adequate and were operating effectively.

### MEETINGS OF THE BOARD

The Company had Eight (8) Board Meetings on April 16, 2018; May 31, 2018; September 06, 2018; October 18, 2018; November 12, 2018; January 11, 2019; February 08, 2019 and March 29, 2019 during the year under review. The maximum interval between any two Meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

### DISCLOSURE OF VARIOUS COMMITTEES OF BOARD OF DIRECTORS:

#### A. AUDIT COMMITTEE:

Your Company has re-constituted the Audit Committee ("Audit Committee"), vide Board Resolution dated February 08, 2019. The re-constituted Audit Committee comprises following members:

Name of Director	Nature of Directorship	Status in Committee
Mr. Sharad Jain	Non-Executive, Independent Director	Chairman
Mr. Satish Khimawat	Non-Executive, Independent Director	Member
Mr. Ankit Gala	Non-Executive, Independent Director	Member

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors of the Company. Further during the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

#### B. NOMINATION AND REMUNERATION COMMITTEE:

Your Company has re-constituted the Nomination and Remuneration Committee vide Board Resolution dated February 08, 2019. The Nomination and Remuneration Committee comprises the following:

Name of Director	Nature of Directorship	Status in Committee
Mr. Satish Khimawat	Non-Executive, Independent Director	Chairman
Mr. Sharad Jain	Non-Executive, Independent Director	Member
Mr. Ankit Gala	Non-Executive, Independent Director	Member

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company has re-constituted the Stakeholders Relationship Committee vide Board Resolution dated February 08, 2019. The re-constituted Stakeholders Relationship Committee comprises the following:

Name of Director	Nature of Directorship	Status in Committee
Mr. Ankit Gala	Non-Executive, Independent Director	Chairman
Mr. Sharad Jain	Non-Executive, Independent Director	Member
Ms. Satish Khimawat	Non-Executive, Independent Director	Member

#### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors to the best of the knowledge and belief and according to the information, explanations and representations obtained by them and after due enquiry, make the following statements in terms of Section 134(3)(c) and 134(5) of the Act that: :

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a going concern basis;
- the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Board of the Directors has framed the policy which lays down a framework in relation to Remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy is available at website of the Company under web link: [www.suumayalifestyle.com](http://www.suumayalifestyle.com).

#### PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The results of the evaluation are satisfactory and adequate and meet the requirement of the Company.

#### AUDITORS

##### Statutory Auditors and Auditors' Report

M/s. Motilal & Associates, Chartered Accountants (Firm Registration No. 106584W), were appointed as Statutory

Auditors of the Company, for a term of 3 (three) consecutive years, at the 5<sup>th</sup> AGM held on September 30, 2016 to hold office till the conclusion of 8<sup>th</sup> AGM of the Company. The Company intends to appoint M/s Chahan Vora & Associates, Chartered Accountant, Mumbai (FRN: 147060W) as Statutory Auditors for term of 5 years.

The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

#### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. R.A Gala & Associates, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is annexed as "Annexure A" and forms an integral part of this Report.

The auditor mentioned about the delay in transfer of funds to escrow account and payment of dividend to the shareholders. The said delay was due to technical difficulties of change in Compliance Officer and inability to withdraw funds for a short term of 3 weeks. This was subsequently rectified and payment of dividend has been made to shareholders with interest as per the statute. Except this there were no qualifications, reservation or adverse remark or disclaimer made by Secretarial Auditor in its report.

#### **Internal Auditor**

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Company had appointed M/s Sudheendra and Company LLP, Chartered Accountants as Internal Auditors of the Company for the financial year 2018-19.

#### **REPORTING OF FRAUDS BY AUDITORS**

During the year under review, neither the statutory auditor nor the secretarial auditor has reported to the audit committee under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

#### **COST RECORDS AND COST AUDIT**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Companies Act, 2013 is not applicable for the business activities carried out by the company for the financial year 2018-19.

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

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of annual return is uploaded on the Company's website [www.suumayalifestyle.com](http://www.suumayalifestyle.com).

#### **RELATED PARTY TRANSACTIONS**

All contracts/arrangements/transactions entered by the Company during the financial year with related party were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

#### **VIGIL MECHANISM / WHISTLE BLOWER**

There is a Vigil Mechanism Policy in the Company and that no personnel has been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism.

#### **RISK MANAGEMENT**

The Company has developed and implemented a Risk management Policy, including identification of element of risk and its severity, that may impact the existence of the Company. There is no element of risk identified by the Management that may, in the opinion of the Board, threaten the existence of the Company.

#### **CORPORATE SOCIAL RESPONSIBILITY**

Provisions of Section 135 of the Companies Act, 2013, read with applicable Rules, are not applicable during the year under review.

#### **TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

The details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013 forms part of notes to the Financial Statements.

#### **PARTICULARS OF EMPLOYEES**

In accordance with the requirements of Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended regarding employees is given in "Annexure-B" and forms an integral part of this Report.

#### **PARTICULARS OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EARNINGS AND OUTGO**

The information pursuant to Section 217(1) (e) of the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 is as under:

- Conservation of Energy: Nil
- Technology Absorption, Research & Development: Nil
- Foreign Exchange Earning / Outgo: Nil.

As the Company is involved in manufacturing of garments & fabrics which are termed as non-polluting industry, hence the above is not applicable.

#### **SIGNIFICANT / MATERIAL ORDERS PASSED BY THE REGULATORS**

No significant and material orders have been passed by the Regulators/Courts/Tribunals impacting the going concern status and Company's operations in future.

#### **ENVIRONMENT AND SAFETY**

Your Company is conscious of the importance of environmentally clean and safe operations. Your Company endeavors that the conduct of all operations are in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

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

There is no case filed, during the financial year under the said Act hence the company has no details to offer.

#### **SECRETARIAL STANDARDS**

The Company complies with all applicable secretarial standards issued by Institute of Company Secretaries of India.

#### **APPRECIATION**

Your Directors takes this opportunity to express their deep sense of gratitude to high degree of professionalism, commitment and dedication displayed by employees at all levels. Your Directors also wish to thank its esteemed corporate clients, dealers, agents, suppliers, technology partners, investors, Government Authorities and bankers for their continued support and faith reposed in the Company. The Directors are deeply grateful to the shareholders for the confidence and faith that they have always reposed in the Company.

#### **For and on behalf of the Board**

**Ishita Gala**  
**Managing Director**  
 (DIN: 07165038)

**Ankit Gala**  
**Independent Director**  
 (DIN : 08271752)

Date: August 12, 2019

Place: Mumbai

**ANNEXURE 'A'**  
**FORM NO. MR-3**  
**Secretarial Audit Report**

For the Financial Year ended March 31, 2019  
[Pursuant to section 204(1) of the Companies Act, 2013  
and rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules,  
2014]

To,  
The Members,  
**Suumaya Lifestyle Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suumaya Lifestyle 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 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, 2019 has 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 **Suumaya Lifestyle Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2019, according to the provisions of:

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (e) 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;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- vi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I 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, whichever is applicable.

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.

All the decisions were carried out unanimously by the members of the Board and Committees and the same were duly recorded in the minutes of the meeting of the Board of Directors and Committees of the Company.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items and obtaining shorter consents wherever necessary before the meeting and for meaningful participation at the meeting.

**I 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.

**I further report that** during the audit period the Company had no specific event /action having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

We further report that during the audit period the company has made the following major decisions:

During the year under review, the Company listed its 240,08,000 equity shares on the EMERGE Platform of National Stock Exchange of India Limited.

During the year under review, the Company has declared dividend but there was delay in crediting the required amount in the escrow account and also there was delay in making payment to shareholders, within prescribed time limit defined under the provisions of the Companies Act, 2013.

for **Rinkesh Gala & Associates**

**Rinkesh Gala**  
**Proprietor**  
**Practicing Company Secretaries**  
**ACS : 42486**  
**C.P.No.: 20128**

Place: Mumbai  
 Date: May 24, 2019

## ANNEXURE A

To,  
 The Members,  
**Suumaya Lifestyle Limited**  
 Gala No.5F/D, Malad Industrial Units, Coop Soc Ltd Kachpada,  
 Ramchandra Lane Extension, Malad (W), Mumbai-400064

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 as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the 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 Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Rinkesh Gala & Associates**

**Rinkesh Gala**  
**Proprietor**  
**Practicing Company Secretaries**  
**ACS : 42486**  
**C.P.No.: 20128**

Place: Mumbai  
 Date: May 24, 2019

**“ANNEXURE B” TO THE BOARD'S REPORT**

**DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

1. The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Name	Designation	Ratio
Ms. Ishita Gala	Managing Director	4.16

- Notes: i. Median remuneration of the employees of the Company during the financial year is Rs. 70,000/-.  
ii. The ratio of remuneration of Director to the median employee's remuneration for the financial year increased from 1.95 to 4.16. This is attributed to the considerable increase in employees strength during the year under review to enable business expansion.

2. The percentage increase in remuneration of each director, Chief Financial Officer and Company Secretary, if any, in the financial year:

Name	Designation	Increase (%)
Ms. Ishita Mahesh Gala	Managing Director	21.38%
Ms. Karishma Raturaj Kaku	Chief Financial Officer	No change
Mr. Ushik Mahesh Gala	Chief Executive Officer	(25%).
Mr. Shubham Gandhi*	Company Secretary	N.A
Ms. Priya Gandhi **		N.A
Ms. Heena Shah***		N.A

\*Resigned w.e.f. 05.09.2018

\*\*Appointed w.e.f. 10.09.2018 and resigned w.e.f. 16.11.2018

\*\*\*Appointed w.e.f 11.01.2019

Note: Percentage increase in remuneration not reported as position was held for part of the financial year 2018-19

3. The percentage increase in the median remuneration of employees in the financial year : (57.92)%
4. The number of permanent employees on the rolls of company as on March 31, 2019: 44
5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration:

	Increase (%)
Average Employees remuneration other than managerial remuneration	N.A. *
Managerial Remuneration**	No Change

Note:

\*Percentage increase in salaries of employees is not comparable in view of the attrition of the employees and lack of uniformity in remuneration.

\*\*Managerial Personnel includes Managing Director.

6. **Affirmation that the remuneration is as per the remuneration policy of the company:** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) and 5(3) COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- Employed throughout the financial year and was in receipt of remuneration for the year in aggregate of not less than Rs. 1,02,00,000 – **NIL**
- Employed for a part of the financial year and was in receipt of remuneration at a rate in aggregate not less than Rs. 8,50,000/- per month – **NIL**
- Employed throughout the financial year or part thereof, was in receipt of remuneration in the year which, in the aggregate or at a rate which in the aggregate was in excess of that drawn by the Whole time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the company - **NIL**

## ANNEXURE TO THE DIRECTOR'S REPORT

### MANAGEMENT DISCUSSION & ANALYSIS

We are pleased to present our performance highlights for FY 2018-19 and the business outlook for this year:

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

With investor friendly policies of GoI and boost in domestic and export consumption, the demand for readymade apparels will continue to grow in years to come. It is anticipated that consumption shall rise by a healthy rate, also due to various supporting factors.

One of the largest and the most important sectors of the Indian economy in terms of capital investment, output, employment and domestic consumption, the Indian Textiles and Apparels (T&A) industry accounts for approximately 4% of the global T&A market. It contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings. It also provides direct employment to over 45 million people and is the second largest provider of employment after agriculture. The country is ranked as 5<sup>th</sup> largest exporter of readymade garments/apparels (RMG) in the world, as per WTO's "World Trade Statistical Review 2018".

The RMG industry is the largest segment of the Indian T&A industry accounting for approximately 50% of the total industry. The domestic RMG sector accounts for approximately three-fourths of the total Indian RMG industry. Given that RMG manufacturing units can be viable at all size levels due to low entry barriers, this sector is dominated by a large unorganized segment. However, the branded apparel market has made steady inroads in the past few years.

Within the textile industry, fragmented power looms and knitting sector is the largest segment followed by the organized cotton/manmade fibre textile mill industry, the manmade filament yarn industry, the woollen textile industry, the silk textiles industry, handlooms, jute textiles industry and textiles exports.

On the demand side, the global apparel market is primarily composed of world's largest economies of US, European Union (EU), Japan and China; the first two accounting for 60% of total global imports. On the supply side, China is the major player but due to rising labour cost and strong currency, over the past few years, it has been ceding ground to Bangladesh and Vietnam. Countries like Turkey, Morocco and Tunisia too have emerged as key exporters to EU recently on account of their proximity to EU nations.

The global apparel trade expanded for the second consecutive year in CY2018 (refers to Calendar Year) with a Y-o-Y growth of ~3%, following a 2% growth in CY2017 in US\$ terms. The positive trends during the last two years

has been led by the strong recovery in apparel imports by the European Union (EU), which accounts for two-fifth of the global apparel trade (including the trade within EU) and reported a growth of 5.8% in CY2018. Unlike the EU, apparel imports by the United States of America (US) remain muted with a 2% growth in CY2018, though the trend has improved during the past two years.

The domestic apparel industry has two primary segments namely, consumption within the nation and exports. While export numbers of the industry are readily available; the market size of the domestic market from a supply side is not readily available due to the fact that the unorganised sector does not report revenue and the data collection being an onerous task. Hence often a suitable proxy from the consumption size has been utilised i.e. value of the private final consumption expenditure (PFCE) on clothing. Consequently the total market size is a combination of export value of apparel products from India and value of PFCE on clothing in India.

The apparel industry (domestic + exports) in India grew at a CAGR of 13% from Rs. 2,432 bn in FY10 to Rs. 6,484 bn in FY18. The export market grew at a slightly slower CAGR of 9.8% from Rs. 508 bn in FY10 to Rs. 1,076 bn in FY18. The domestic apparel industry in India grew at a CAGR of 13.8% from Rs.1,924 bn in FY10 to Rs. 5,408 bn in FY18. The growth can be attributed to i) rising per capita disposable income, ii) changing fashion trends, iii) growing consumer class, iv) rising urbanization, v) increasing retail penetration, vi) growing service class and vii) increasing share of the designer wear. Apparel production is dominated by big clusters - Tirupur, Ludhiana, Bangalore, Delhi NCR, Mumbai, Kolkata, Jaipur, Indore and Surat.

The domestic Indian apparel market can be broadly classified into men's wear, women's wear and kids wear. Currently, men's wear holds the largest share in the apparel market, followed by women's wear and kids wear, respectively contributing 41%, 38%, and 21% of the market.

By price, the domestic apparel market can be broadly classified as super premium, premium, medium, economy, and value segments. Cities such as Delhi NCR, Mumbai, Bengaluru, Chennai, Kolkata are the biggest consumer markets with over 20% contribution. The urban population followed by Tier-I and Tier-II cities have higher purchasing power, compared to rural population which largely prefers the economy and value segments, by price.

Various estimates have indicated that India's apparel exports de-grew by 4-5% in FY2019, following a similar de-growth of ~4% in FY2018 and modest growth rates of 1% and 3% in FY2016 and FY2017 respectively.

While a reversal in trend has been witnessed in the recent months with a 14% Y-o-Y growth in India's apparel exports in Q3 FY2019, compared to a sharp decline reported during Q3 FY2018, amid downward revision in export incentives under the GST regime. However, the trend seems to have bottomed out and recovery has set in with internal challenges and abrupt pressures subsiding.

### **OPPORTUNITIES**

The domestic apparel industry in India grew at a CAGR of 13.8% from Rs.1,924 bn in FY10 to Rs. 5,408 bn in FY18. After successfully weathering the liquidity crises of FY08 and FY09, the economy again witnessed a slowdown beginning FY12 because of spiralling inflation and high lending rates. In the recent scenario, with the general elections, now a thing of the past, the newly elected government is in a better position to take decisions and take policy stands that would attract higher investment and fuel the rise in income levels and consequential consumption levels.

The demand from both domestic and international markets, has picked up in the last few months. Moreover, the demand drivers like growing private final consumption expenditure, growing population and changing fashion trends, etc., still make a compelling case for the healthy economic scenario in the future, subject to policy implementation by the government. The domestic apparel market to expected to grow at a decent pace, by 10% - 12% per annum.

### **EXTERNAL THREATS**

The growth story of the apparel industry in India is confronted by challenges such as:

Developments in the international trade including US's allegations against certain export subsidy schemes in India as well as progress on certain large free trade agreements (FTA) can materially alter the trade dynamics. As for EU market, the EU-Vietnam Free Trade Agreement, can weaken India's competitive positioning in one of its key apparel markets. This can be corroborated from the fact that Bangladesh, which enjoys a duty-free access to the EU market since 2001 under the Generalised Scheme of Preference, has been able to expand its market share from less than 7% in 2001 to ~20% at present. Though India has been able to maintain its share at ~6-7%, it faces higher trade barriers compared to other competing countries like Bangladesh, Vietnam and Pakistan in key global markets of USA and EU.

The country suffers from a geographical disadvantage as it is located far away from major global fibre-consuming markets like America and Europe compared to its global counterparts. As a result, India has to bear higher shipment cost with longer lead times thereby impacting exports. Further, wider geographical spread coupled with the high inland transportation cost has also affected the

growth of export oriented textile and related industries in India.

Indian textile industry is predominantly a cotton based industry. Approximately, 74 per cent of the apparels exported from India are made up of cotton. However, the global apparel consumption is well diversified across fibres. Therefore, to remain competitive in the global apparel industry, India needs to increase the share of man-made fibres (MMF) based apparels in its overall apparel export portfolio.

### **GOVERNMENT REGULATIONS**

- In order to increase exports of textiles including readymade garments (RMG), Government has undertaken several measures, which include:
- In March 2019, the Central government approved a scheme to rebate State and Central Embedded Taxes for apparels and made-ups exports.
- Interest Equalization Scheme (IES) provides interest subsidy at 5% per annum on pre and post shipment export credit. Market Access Initiative (MAI) Scheme provides assistance to exporters to participate in various international events and invite buyers to domestic events. IGST has been exempted on import under Advance Authorisation and Export Promotion Capital Goods Scheme (EPCG) for apparel products.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for Readymade garments and Made ups - from 2% to 4%.
- The Government of India has increased the basic custom duty to 20% from 10% on over 500 textile products, to boost indigenous production and the Make in India program.
- The Government of India announced a Special Package to boost exports by US\$ 31 billion, create one crore jobs and attract investments worth Rs. 80,000 crore during 2018-2020.
- The Amended Technology Up-gradation Fund Scheme (A-TUFS), scheme is estimated to create employment for 35 lakh people and enable investments worth Rs. 95,000 crore by 2022.
- The Government of India has approved a skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs 1,300 crore from 2017-18 to 2019-20.

- The Union Ministry of Textiles, Government of India, along with Energy Efficiency Services Ltd (EESL), has launched a technology upgradation scheme called SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) for reviving the power loom sector of India.

### **INDUSTRY OPERATING COSTS**

High maintenance and operation cost of players and some of the sub-industry segments in the supply chain have hampered the productivity of the apparel manufacturers in India. At around 50% of the revenue, raw material constitutes the largest share of the overall operating costs of apparel manufacturers.

The average gross working capital cycle of the industry has increased from 125 days to 145 days with the numbers coming in at the highest in FY18. The payables days has also increased; hence effect in the net working capital increase to 93 days in FY18 as compared to 90 days in FY11 and was subdued as compared to the rise in the gross working capital cycle. The industry observed an increase in its debtor's period from around 51 days in FY11 to around 64 days in FY18. The inventory holding period for the industry decreased marginally to around 82 days in FY18, which was around 86 days during FY11.

Employee cost also forms substantial part in the overall cost structure as apparel industry is labour intensive. Employee costs have witnessed a steady increase from 9% in FY10 to 13% in FY18. Due to high degree of dependence on labour, the industry is plagued by unionization issues. Power & Fuel Cost, Depreciation and Interest costs have remained fairly stable for the above period.

On account of the low investment requirement and absence of stringent licenses for setting up a garment unit, many small players have flocked into the industry making it highly fragmented and competitive thereby constraining profitability margins and leading to intense competition.

### **OUTLOOK**

As textile production is positively correlated to GDP, reduction in economic uncertainties to revive growth in medium to long-term period is needed. The apparel industry is largely consumption-driven and therefore, the economic cycles have a direct impact on the performance of the industry. High growth in the GDP leads to higher per capita income which in turn increases the purchasing power of the people. Higher purchasing power leads to increased spending, thereby driving the demand for apparels and home textiles while during the economic slowdown, the spending power and in turn consumption decreases.

The domestic apparel market to expected to grow by 10% - 12% driven by the growth in the Indian economy leading to the rise in disposable income, increased usage of plastic money leading to impulsive buying among the Indian consumers. Also, the increasing percentage of the youth in the Indian economy, rising mall culture would continue to drive growth of the apparel industry.

Going forward, steps taken by the Government of India to address the challenges, will remain crucial for a broad-based recovery across the sector. This also remains crucial for the domestic apparel players to capitalise on the revived global apparel trade.

*(Source: Care Ratings Industry Report, April 2019  
ICRA Ratings Industry Report, February 2019)*

### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

Suumaya Lifestyle Ltd is presently operational in only one segment i.e. Manufacturing of Fabrics & Garments.

Your Company is engaged in the manufacturing of designer wear for women like kurtis, ethnic tops and salwar suits etc. – offering the finest collection to the end-consumer. With experience in Indian Ethnic merchandise market, Suumaya Lifestyle Ltd is ideally positioned to offer innovative designs and configurations, ranging from traditional women apparels to contemporary, each of which is crafted with utmost care, beauty and class.

Suumaya is a young Company taking firm steps in the market, managed by mature minds with a rich experience of over three decades in the textile business. Earlier we were engaged in the business of manufacturing and trading but subsequent to our successful IPO during the last fiscal, the Company is now concentrated on manufacturing and marketing of women's apparels. The IPO proceeds has helped in boosting the business of the Company.

The Company markets products under the brand name "Ekka", "Ira" and "Tag 9". We are both in retail and wholesale business where we provide our designs and satisfy our customers. We serve our customers through a range of channels such as retail and wholesale. The fabric and accessories are sourced from several suppliers with whom we have long-term relationships. Our in-house design team constantly develops new styles, fits and finishes to meet the latest fashion trends.

### **RISKS AND CONCERNS**

The Company has robust risk management procedures to identify and evaluate risks on an ongoing basis. The identified risks are integrated into the business plan and a detailed action plan to mitigate the identified business risk and concerns is put in place.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations and that such internal financial controls are adequate and were operating effectively.

### **DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Your Company's core competency lies in the deep understanding of its customer's buying preferences and behavior across the Indian market. This has enabled the Company to post good financial performance, year-after-year.

During the year ended March 31, 2019, the total income of the Company for the year was Rs. 175 crore as compared to Rs. 3,77.43 crore as on March 31, 2018. The figures are lower during the last year as Your Company discontinued trading activities and therefore they are not comparable. The second half cyclical performance is less that of first half cyclical performance since trading was stopped. The trading business entailed requirement of more working capital with less margins, hence it was decided to channelise the resources in manufacturing activity which, has yielded attractive net profit returns.

The net profit was Rs. 3.45 crore for the year as compared to Rs. 1.45 crore in last fiscal and is higher by 150.34%. The net profitability is a reflection of healthy growth achieved by Suumaya Lifestyle Ltd. This has been largely helped by an increase in our manufacturing business, establishing of a Pan-India presence besides a strict control and rationalisation of costs.

Your company has improved upon its financial performance on major parameters as can be observed from the below ratio analysis. All important ratios have registered improvement during the period under review, FY 2018-19 compared to FY 2017-18 except debtors turnover ratio and inventory turnover ratio. The change in debtors and inventory turnover ratios is due to change in strategy by focusing on manufacturing of branded garments and discontinuing activity of trading of garments.

The improvement in remaining ratios is due to efficient management of Current Assets, Cash Flow cycle, Trade Payables cycle etc. Further, our Cash position has improved by 50%. As regards Long term borrowings, they have been obtained at zero coupon rates as the erstwhile promoter has reinvested the proceeds received from sale of its shares. The following comparison makes it evidently clear.

Sr No	Financial Ratios	Year	
		2018-19	2017-18
1	Debtors Turnover Ratio	4.63	14.92
2	Inventory Turnover Ratio	16.48	80
3	Debt Equity Ratio	0.39	0.04
4	Operating Profit Margin	2.91%	0.56%
5	Net Profit Margin	2.08%	0.39%
6	Return on Net Worth	11.9%	5.9%

Pragmatic business policies and strategies have enabled the Company to be on the desired path, as envisioned by the promoters, right from the outset. Some of the significant being continuous emphasis on scaling market penetration in virgin markets, reduction of costs and enhancing operational efficiency focus on developing and maintaining long term sustainable relationships with stakeholders, manufacturing quality end-products and constant innovation in designs and prevailing trends. All of these have strengthened our ability to stay ahead in the dynamic women apparels segment.

### **MARKETING & SELLING STRATEGY**

During the year gone by, your Company has strengthened its market presence across retail format - Exclusive Brand Outlets (EBOs), Multi-Brand Outlets. Store-In-Store (SIS) and online. Today our products have strong presence in 21 states, 100+ cities, 850 MBOs/EBOs/SIS' and online such as Amazon, AJIO and Rajwadi. In addition, the Company has opened stores in malls within cities like Mulund (Mumbai), Surat, Bhopal and Aurangabad; it had recently opened its first MBO in Dubai and on e-commerce portals. Besides brand promotions, social media promotions and publicity are also undertaken rigorously to increase brand visibility, loyalty and brand value which will eventually enhance shareholders value. Our expansion plans in deepening market penetration over the next five years are fairly robust.

Suumaya's core competency lies in the deep understanding of its customer's buying preferences and behavior across the Indian market. Moreover, strong relationships with our supply-chain have enabled continuous growth of business. This has also helped us to better manage our inventories and supply quality products on timely basis to our customers which in turn has facilitated repeat business. We are pleased to inform that Your Company's in-house research team has made significant progress in developing/designing apparels made out of organic cotton and this will very soon enable us to cater to a new class of consumer segment which is growing at a good pace.

The marketing strategy of our Company is the combination of direct and indirect marketing, using the distribution network and sales force. Conversation with retailers, educating them and campaigning for our Company's

products all the year round are integral to marketing and sales efforts. This is further supported with the activities at the grass root level through regular contacts. The Company also participates regularly in trade exhibition and consumer fairs to boost sales. Having said that, it ought to be stated that all of these actions have to be efficiently backed by inventory management, warehouse management and supply chain management.

### **COMPETITION**

Intense competition in every sphere of life and business is a given in today's world. In that sense while competition cannot be ignored by businesses in general, every player has to change and adapt as per the prevailing typical competitive conditions in their industry. Your Company too is no different, as it faces intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to upgrade with the latest trend to reap optimum sales. Our products face competition from organized sector and unorganized sector, primarily from local manufacturers. However, amidst all these, Suumaya has been able to protect and grow its sales due to strong brand names, timeliness, reliability, quality of products, price and; ability to anticipate consumer demands and maintain appeal of products to customers. These are the success factors the Company depends on.

### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYEE**

The total manpower strength of your Company has increased from 18 employees in FY'2018 to 34 in FY'2019, mainly in sales and marketing area. Subsequently the Employee benefit expenses has increased considerably. Nonetheless these additional expenses on marketing and promotions will yield results in the long term.

The Company provides best opportunities for its employees to enable them to reach their full potential. The HR function aims at fueling the growth ambitions of the organization by equipping the Human Assets for effective & efficient delivery as well as providing them a nurturing environment.

The HR function is aligned to the Company's Business Strategy. This has helped in proactively facilitating the achievement of organizational plans, targets and challenges through timely identification, preparation and deployment of appropriate human resources.

Some of HR's best practices include a robust and transparent Performance Management system which enables fostering a performance based culture and performance assessment in line with Industry best practices. Recognition of individual contribution as well as team efforts of Young Talent, Functional Experts, Innovators and Supporting Staff is done on regular basis.

Continuous Learning & Development (Training) is in place for employees. Prime focus is given for Leadership Development within the organisation for sustainable growth as Suumaya places high value on nurturing & developing its people. This is further supplemented by having open communication channels and absence of hierarchical barriers.

### **CAUTIONARY STATEMENT**

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate, intend, will, expect and other similar expressions are intended to identify such forward looking statements. The Company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Besides the Company cannot guarantee that these assumptions and expectations are accurate or will be realized and; actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements.

**Independent Auditor's Report  
To the Members of SUUMAYA LIFESTYLE LIMITED  
(Formerly Known as Richway International Trade Limited)**

**Report on the standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of **SUUMAYA LIFESTYLE LIMITED (Formerly Known as Richway International Trade Limited)** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial Statements**

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

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work;

and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

d. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

e. With respect to other matters to be included in the auditors report in accordance with the requirement of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

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

1. The Company has represented that it does not have any pending litigations which would impact its financial position.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Motilal & Associates  
Chartered Accountants  
Firm Regn.No 106584W**

**CA. Mokshesh Shah  
Partner  
M. No. 172906  
Place: Mumbai  
Date: 24/05/2019**

## **ANNEXTURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUUMAYA LIFESTYLE LIMITED (Formerly Known as Richway International Trade Limited)**

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of **SUUMAYA LIFESTYLE LIMITED** ('the Company') as of 31<sup>st</sup> March 2019.

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

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

#### **Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Motilal & Associates  
Chartered Accountants  
Firm Regn.No 106584W**

**CA. Mokshesh Shah  
Partner  
Membership No. 172906  
Place: Mumbai  
Date: 24/05/2019**

### ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirement's section of our report of even date)

**Reports on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Suumaya Lifestyle Limited (Formerly known as Richway International Trade Limited):**

1. In respect of company's Fixed Assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - (c) The Company does not hold any Immovable properties.
2. As explained to us, the Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has granted loans to entities covered in the register maintained under section 189 of Companies Act, 2013.
  - a) The terms and condition of the grant of such loan are not prejudicial to the Interest of the Company.
  - b) No schedule of repayment of principal and payment of interest has been stipulated.

- c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by Central Government for maintenance of cost records under sub section (1) of Section 148 of the Act in respect of Company's products and services and are of the opinion that, prima facia, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of

the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanation given to us, in respect of statutory dues:
- (a) According to the records of the company the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, goods & service tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, goods and service tax, custom duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable
- (C) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty and cess that have not been deposited with appropriate authorities on account of any dispute except Income Tax Liability in dispute and hence in Appeal

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which Amount relates	Amount involved Rs in Lacs	Amount unpaid Rs in Lacs
Income Tax Act, 1961	Income Tax	CIT (Appeal)	AY 2016-17	1,32,54,510	1,06,03,608 (Paid to the Extent of 20% of Demand as Appeal Deposit)

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not borrowed from financial Institution, Debentures and Government. The Company has not defaulted in respect of Borrowings from Bank
9. The Company has raised money by public offer and Bank Loan during the year we were utilized for the purpose for which they were raised.
10. Based upon the audit procedures performed and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit, that causes the financial statements to be materially misstated.
11. The Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence this clause is not applicable
15. The Company has not entered into any non-cash transactions with directors or persons connected with him and hence provision of Section 192 of the Act is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Motilal & Associates**  
**Chartered Accountants**  
**Firm Regn.No 106584W**

**CA. Mokshesh Shah**  
**Partner**  
**Membership No. 172906**

**Place: Mumbai**  
**Date: 24/05/2019**

**Suumaya Lifestyle Limited**  
(Formerly Known as Richway International Trade Limited)  
CIN- L70102MH2011PLC220879

**Balance Sheet as at 31<sup>st</sup> March, 2019**

PARTICULARS	Note No.	Figures As At 31 <sup>st</sup> March, 2019 (Rs.)	Figures As At 31 <sup>st</sup> March, 2018 (Rs.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2	24,00,80,000	22,12,00,000
(b) Reserves & Surplus	3	6,56,42,747	2,57,84,730
(c) Money Received against Share Warrants		-	-
<b>(2) Share Application Money Pending Allotment</b>		-	-
<b>(3) Non-current Liabilities</b>			
(a) Long term Borrowings			
(b) Deferred Tax Liability (Net)	4	11,77,40,177	1,02,99,138
(c) Other Long Term Liabilities	5	7,08,824	3,00,663
(d) Long term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings			
(b) Trade Payables	6	-	-
(i) Total outstanding dues of micro & small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro & small enterprises		30,46,24,786	24,99,41,323
(c) Other Current Liabilities	7	23,97,903	25,13,665
(d) Short Term Provision	8	1,40,80,358	75,17,465
<b>TOTAL</b>		<b>74,52,74,778</b>	<b>51,75,56,983</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Property Plant And Equipment			
(i) Tangible Assets	9	1,67,00,254	92,71,331
(ii) Intangible Assets	9	15,00,000	15,38,762
(iii) Capital Work-in-Progress			
(iv) Intangible Assets Under Development			
(b) Non-current Investments		-	-
(c) Deferred Tax Asset (Net)			
(d) Long term Loans and Advances			
(e) Other Non Current Assets			
<b>(2) Current Assets</b>			
(a) Current investments			
(b) Inventories	10	15,16,50,940	5,03,95,821
(c) Trade Receivables	11	48,16,41,832	27,46,00,833
(d) Cash & Cash Equivalents	12	5,43,78,479	3,30,62,433
(e) Short Term Loans and Advances	13	2,88,45,542	60,25,305
(f) Other Current Assets	14	1,05,57,731	14,26,62,500
<b>TOTAL</b>		<b>74,52,74,778</b>	<b>51,75,56,983</b>

Significant Accounting Policies  
Notes to Financial Statements

1  
2-24

For Motilal & Associates  
Chartered Accountants  
FRN No.106584W

Ishita Gala  
Managing Director  
DIN: 07165038

Ankit Gala  
Independent Director  
DIN: 08271752

CA Mokshesh Shah  
Partner  
Membership No. 172906

Ushik Gala  
CEO

Karishma Kaku  
CFO

Place: Mumbai  
Date: 24/05/2019

CS Heena Shah  
Company Secretary

**Suumaya Lifestyle Limited**  
**(Formerly Known as Richway International Trade Limited)**  
**CIN- L70102MH2011PLC220879**

**Statement of Profit & Loss Statement For the Year Ended at 31st March, 2019**

PARTICULARS	Note No.	Figures for the Year Ended 31 <sup>st</sup> March, 2019 (Rs)	Figures for the Year Ended 31 <sup>st</sup> March, 2018 (Rs.)
<b>INCOME</b>			
<b>I</b> Revenue form Operation	15	1,74,98,38,931	3,77,39,91,333
<b>II</b> Other Income	16	2,57,571	3,37,307
<b>III</b> <b>TOTAL REVENUE (I+II)</b>		<b>1,75,00,96,802</b>	<b>3,77,43,28,640</b>
<b>EXPENSES</b>			
Cost of Material Consumed	17	1,76,64,76,082	55,13,93,651
Purchases of Stock in Trade	18	-	3,12,45,64,020
Changes of Inventory of Finished Goods work-in-progress and Stock-in-Trade	19	(10,12,55,119)	(87,55,558)
Employee Benefits Expense & Finance Costs	20	1,28,89,677	78,23,768
Depreciation and Amortisation Expenses	21	10,19,322	1,59,660
Other Expenses	22	2,01,33,915	7,80,62,268
<b>TOTAL EXPENSES</b>		<b>1,69,92,63,877</b>	<b>3,75,32,47,808</b>
<b>V</b> <b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX (III - IV)</b>		<b>5,08,32,925</b>	<b>2,10,80,832</b>
<b>VI</b> Exceptional items		-	-
<b>VII</b> <b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V-VI)</b>		<b>5,08,32,925</b>	<b>2,10,80,832</b>
<b>VIII</b> Extraordinary items		-	-
<b>IX</b> <b>PROFIT BEFORE TAX (VII-VIII)</b>		<b>5,08,32,925</b>	<b>2,10,80,832</b>
<b>X</b> <b>Tax Expenses</b>			
Current Tax	23	1,40,80,358	65,41,787
Earlier year		-	-
Deferred Tax		4,08,161	-
		<b>1,44,88,519</b>	<b>65,41,787</b>
<b>XI</b> <b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS (IX-X)</b>		<b>3,63,44,406</b>	<b>1,45,39,045</b>
<b>XII</b> <b>PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</b>		-	-
<b>XIII</b> <b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>		-	-
<b>XIV</b> <b>PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS (AFTER TAX) (XII-XIII)</b>		-	-
<b>XV</b> <b>PROFIT (LOSS) FOR THE PERIOD (XI + XIV)</b>	24	<b>3,63,44,406</b>	<b>1,45,39,045</b>
<b>XVI</b> <b>EARNINGS PER EQUITY SHARE</b>			
(1) Basic		1.54	0.66
(2) Diluted		1.54	0.66

Significant Accounting Policies  
Notes to Financial Statements

1  
2-24

For Motilal & Associates  
Chartered Accountants  
FRN No.106584W

Ishita Gala  
Managing Director  
DIN: 07165038

Ankit Gala  
Independent Director  
DIN: 08271752

CA Mokshesh Shah  
Partner  
Membership No. 172906

Ushik Gala  
CEO

Karishma Kaku  
CFO

Place: Mumbai  
Date: 24/05/2019

CS Heena Shah  
Company Secretary

## NOTES TO FINANCIAL STATEMENTS

## 2 Share Capital

Particulars		As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
		Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
(a)	<b>Authorized Share Capital</b> Equity Shares of Rs. 10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	(P.Y - Equity Shares of Rs. 10/- each)	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(b)	<b>Issued, Subscribed &amp; Fully Paid-up Capital</b> Equity Shares of Rs. 10/- each	2,40,08,000	24,00,80,000	2,21,20,000	22,12,00,000
	Balance at the end of the financial year	2,40,08,000	24,00,80,000	2,21,20,000	22,12,00,000

( C )	Reconciliation of Equity shares outstanding at the beginning and at the end of the financial year	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
		Quantity (Nos.)	Amount Rs.	Quantity (Nos.)	Amount Rs.
	Balance at the beginning of the financial year	2,21,20,000	22,12,00,000	2,21,20,000	22,12,00,000
	Allotment during the financial year	18,88,000	1,88,80,000	-	-
	Balance at the end of the financial year	2,40,08,000	24,00,80,000	2,21,20,000	22,12,00,000

( d )	Shareholders holding more than 5% of Equity Share Capital	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
		Nos.)	(%)	(Nos.)	(%)
(i)	Rangoli Tradecom Pvt Ltd	-	0.00%	58,00,000	22.40%
(ii)	Ishita Mahesh Gala	18,87,500	7.80%	18,00,000	8.14%
(iii)	Indiacredit Risk Management LLP	48,60,000	20.24%	48,60,000	21.97%
		2,40,08,000	24,00,80,000	2,21,20,000	22,12,00,000

( e )	As per the records of the Company including its register of members and other declarations received from the shareholders regarding beneficial interest, the above shareholders represent legal ownership of shares.
	The Company has only one class of shares referred to as Equity Shares having a par value of Rs.10 /-. Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

## 2 Share Capital

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
1	<b>Authorized Share Capital</b> 2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000	25,00,00,000
		25,00,00,000	25,00,00,000
2	<b>Issued, Subscribed &amp; Fully Paid-up Capital</b> 2,21,20,000 Equity Shares of Rs. 10/- each		22,12,00,000
	2,40,08,000 Equity Share of Rs. 10/- each, of which 18,88,000 Equity Share of Rs. 10/- each issued at a premium of Rs 8/- each	24,00,80,000	
<b>Total</b>		<b>24,00,80,000</b>	<b>22,12,00,000</b>

## 3 Reserves & Surplus

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	<b>Securities Premium Account</b>		
	Balance as per last account	48,00,000	48,00,000
	Add: Share Premium on Issue	1,51,04,000	
	Less: IPO Issue Expenses	90,74,306	
(b)	<b>Sub-Total</b>	1,08,29,694	48,00,000
	<b>Surplus in Profit &amp; Loss Statement</b>		
	Balance as per last account		76,62,108
	Add: Transfer from Profit & Loss Statement	2,09,84,729	
	Less: Dividend Paid	3,63,44,406	1,45,39,045
	Less: Interest on Dividend Paid	24,08,000	
	Less: Prior Period Items	1,08,083	
	<b>Sub-Total</b>	5,48,13,052	12,16,423
	<b>Total (a + b)</b>	<b>6,56,42,746</b>	<b>2,09,84,729</b>

## 4 Long Term Borrowings

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	Other loans & advances		
	Secured		
	Unsecured	11,77,40,177	1,02,99,138
<b>Total</b>		<b>11,77,40,177</b>	<b>1,02,99,138</b>

**5 Non Current Liabilities**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
( a )	Deferred Tax Liability / (Asset)	7,08,824	3,00,663
	<b>Total</b>	<b>7,08,824</b>	<b>3,00,663</b>

**6 Trade Payables**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
( a )	Dues to micro and small enterprises		
( b )	Dues to Others	30,46,24,768	24,99,41,323
	<b>Total</b>	<b>30,46,24,768</b>	<b>24,99,41,323</b>

**7 Other Current Liabilities**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
( a )	Unpaid dividends	1,76,811	
( b )	Other Payables	22,21,092	25,13,665
	<b>Total</b>	<b>23,97,903</b>	<b>25,13,665</b>

**8 Short Term Provision**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
( a )	Provision for Tax	1,40,80,358	65,41,787
( b )	Provision for Expenses		9,75,678
	<b>Total</b>	<b>1,40,80,358</b>	<b>75,17,465</b>

**10 Inventories**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
( a )	Closing Stock of manufactured goods	1,32,93,052	75,59,373
( b )	Closing Stock of traded goods	-	4,28,36,448
( c )	Closing Stock of Fabric	13,83,57,889	
	<b>Total</b>	<b>15,16,50,940</b>	<b>5,03,95,821</b>

### **11 Trade Receivables**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	More than Six Months		
(b)	Less than Six Months	48,16,41,832	27,46,00,833
<b>Total</b>		<b>48,16,41,832</b>	<b>27,46,00,833</b>

### **12 Cash & Cash Equivalents**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	Cash in Hand	4,18,99,712	3,09,17,606
(b)	Balance at Bank	1,24,78,767	21,44,827
<b>Total</b>		<b>5,43,78,479</b>	<b>3,30,62,433</b>

### **13 Short Term Loans & Advances**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	Unsecured Loans & Advances considered good	2,83,42,182	43,51,851
(b)	Amount receivable from Govt. Authorities	5,03,360	16,73,454
<b>Total</b>		<b>2,88,45,542</b>	<b>60,25,305</b>

### **14 Other Current Assets**

Particulars		Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
(a)	Advance paid to Supplier for goods	-	5,50,000
(b)	Other Current Assets	41,91,144	14,16,50,000
(c)	TDS Receivable	-	1,62,500
(d)	Deposits	63,66,587	3,00,000
<b>Total</b>		<b>1,05,57,731</b>	<b>14,26,62,500</b>

9

Fixed Assets and Depreciation as at 31<sup>st</sup> March, 2019

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.2018 Rs. P.	Addition Rs. P.	Deduction Rs. P.	As on 31.03.2019 Rs. P.	As on 01.4.2018	During the year	Adjustment	As on 31.03.2019 Rs. P.	As on 31.03.2019 Rs. P.	As on 31.03.2018 Rs. P.
<b>Tangible Assets</b>										
Furniture & Fixtures	5,96,694.00	39,99,000.00	-	45,95,694.00	76,621.28	1,85,033.91	2,564.28	2,59,090.91	43,36,603.09	5,20,072.72
Computer	8,059.56	2,42,957.00		2,51,016.56	8,059.56	20,424.33		28,483.89	2,22,532.67	-
Plant & Equipments	88,60,908.00	41,19,064.00		1,29,79,972.00	1,09,649.99	7,64,301.85	35,098.00	8,38,853.84	1,21,41,118.16	87,51,258.01
Total(A)	94,65,661.56	83,61,021.00	-	1,78,26,682.56	3,59,637.27	9,69,760.09	37,662.28	11,26,428.64	1,67,00,253.92	92,71,330.73

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As on 01.04.2018 Rs. P.	Addition Rs. P.	Deduction Rs. P.	As on 31.03.2019 Rs. P.	As on 1.4.2018	During the year	Adjustment	As on 31.03.2019 Rs. P.	As on 31.03.2019 Rs. P.	As on 31.03.2018 Rs. P.
<b>Intangible Assets</b>										
Goodwill	15,00,000.00	-	-	15,00,000.00	-	-	-	-	15,00,000.00	15,00,000.00
Computer Software	54,000.00	10,800.00		64,800.00	15,238.00	49,562.00		64,800.00	38,762.00	
Total(A)	15,54,000.00	10,800.00	-	15,64,800.00	15,238.00	49,562.00	-	64,800.00	15,00,000.00	15,38,762.00

### **15 Revenue from Operations**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Sale of Manufactured Goods	1,74,98,38,931	56,60,98,700
Sale of Traded Goods		3,20,78,92,633
<b>Total</b>	<b>1,74,98,38,931</b>	<b>3,77,39,91,333</b>

### **16 Other Income**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Other Income		2,57,293
Discount Received	2,57,871	80,014
<b>Total</b>	<b>2,57,871</b>	<b>3,37,307</b>

### **17 Cost of Material Consumed**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Cost of Material Consumed	1,76,64,76,082	55,13,93,651
<b>Total</b>	<b>1,76,64,76,082</b>	<b>55,13,93,651</b>

### **18 Purchases of Stock in Trade**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Purchase of Traded Goods	-	3,12,45,64,020
<b>Total</b>	<b>-</b>	<b>3,12,45,64,020</b>

### **19 Changes of Inventory of Finished Goods work-in-progress and Stock-in-Trade**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Closing Stock	15,16,50,940	5,03,95,821
Opening Stock	5,03,95,821	4,16,40,263
<b>Total</b>	<b>(10,12,55,119)</b>	<b>(87,55,558)</b>

### **20 Employee Benefits Expense & Finance Costs**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Salary & Staff Welfare Expenses	1,22,44,138	75,94,926
Interest Expenses	5,94,119	1,91,250
Bank charges	51,419	37,592
<b>Total</b>	<b>1,28,89,677</b>	<b>78,23,768</b>

**21 Trade Receivables**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Depreciation	10,19,322	1,59,660
<b>Total</b>	<b>10,19,322</b>	<b>1,59,660</b>

**22 Other Expenses**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Auditor's Remuneration	1,00,000	90,000
Commission & Brokerage	4,47,266	32,475
Advertisement & Business Promotion	76,79,897	18,42,783
Delisting Fees	-	8,53,205
Donations	6,17,501,	36,600
Listing Expenses	2,64,042	3,87,985
Miscellaneous Expenses	15,75,133	11,23,640
Legal & Professional fees	7,55,328	13,33,995
Job Works	92,325	2,63,523
Packing Expenses	17,37,499	6,58,61,210
Traveling & Conveyance	20,11,276	3,30,339
Office Expenses	8,64,014	8,95,861
Rent	29,05,524	18,70,615
Repairs & Maintenance	2,47,669	2,43,906
Printing & Stationery	3,55,419	1,95,545
Directors Remuneration & Sitting Fees	4,81,022	24,00,000
Deferred tax expense	-	3,00,586
<b>Total</b>	<b>2,01,33,915</b>	<b>7,80,62,268</b>

**23 Current Tax**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Current Tax	1,40,80,358	65,41,787
<b>Total</b>	<b>1,40,80,358</b>	<b>65,41,787</b>

**24 EARNING PER EQUITY SHARE**

Particulars	Figures as at 31 <sup>st</sup> March, 2019 (Rs)	Figures as at 31 <sup>st</sup> March, 2018 (Rs)
Net Profit /(Loss) attributable to Equity Shareholders (Rs.)	3,63,44,406	1,45,39,045
Weighted average number of Equity Shares in issue	2,35,36,000	2,21,20,000
<b>Basic Earning per share of Rs.10/- each (in Rs.)</b>	<b>1.54</b>	<b>0.66</b>
<b>Total</b>		

**Suumaya Lifestyle Limited**  
**(Formerly Known as Richway International Trade Limited)**  
**CIN- L70102MH2011PLC220879**

**Statement of Cash Flow Annexed to the Balance Sheet for year ended 31st March, 2019**

(In Rupees)

Sr. No.	Particulars	31.03.2019	31.03.2018
<b>A</b>	<b><u>Cash Flow from Operating Activities</u></b>		
	Net Profit before tax and extraordinary Items	5,08,32,925	2,10,80,832
	Adjustments for		
	Depreciation	10,19,322	1,59,660
	Preliminary Expenditure W/o	-	-
	Operating Profit before working capital changes	5,18,52,247	2,12,40,492
	Adjustment for capital changes		
	Decrease (Increase) in Inventories	(10,12,55,119)	(87,55,558)
	Decrease (Increase) in trade and Other Receivable	(20,72,11,887)	(4,33,21,332)
	Decrease (Increase) in Short Term Loans & Advances	(2,28,20,237)	(39,74,351)
	Decrease (Increase) in Other Current Assets	13,21,04,769	(8,61,37,500)
	(Decrease) Increase in Trade Payable	5,46,83,446	14,24,66,223
	(Decrease) Increase in Other Current Liabilities	(1,15,762)	3,29,073
	Cash generated from operations	(9,27,62,543)	2,18,47,047
	Income Tax And FBT paid for the Year	73,84,240	48,37,990
	Extraordinary Items	-	-
	Net Cash From Operating Activities	(10,01,46,783)	1,70,09,057
<b>B</b>	<b><u>Cash Flow From Investing Activities</u></b>		
	Decrease / (Increase) in Fixed Assets	(83,71,821)	(1,06,97,428)
	Decrease / (Increase) in Long Term Loans & Advances	-	-
	Decrease / (Increase) in Investments	-	-
	<b>Net Cash from Investing Activities</b>	(83,71,821)	(1,06,97,428)
<b>C</b>	<b><u>Cash Flow From Financing Activities</u></b>		
	Increase in Share Capital	1,88,80,000	-
	Increase in Reserves & Surplus	35,13,611	1,45,39,045
	Preliminary Expenditure / ROC Expense	-	-
	Increase In Unsecured Loans	10,74,41,040	1,02,99,138
	<b>Net Cash used in Financing Activities</b>	12,98,34,651	2,48,38,182
	Net Increase in Cash & Cash Equivalents	2,13,16,047	3,11,49,811
	Opening Balance of Cash & Cash Equivalents	3,30,62,432	19,12,621
	Closing Balance of Cash & Cash Equivalents	5,43,78,479	3,30,62,432

**For Motilal & Associates**  
Chartered Accountants  
FRN No.106584W

**Ishita Gala**  
Managing Director  
DIN: 07165038

**Ankit Gala**  
Independent Director  
DIN: 08271752

**CA Mokshesh Shah**  
Partner  
Membership No. 172906

**Ushik Gala**  
CEO

**Karishma Kaku**  
CFO

Place: Mumbai  
Date: 24/05/2019

**CS Heena Shah**  
Company Secretary

*SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :-*

**NOTE No.:- 1**

**Corporate Information**

SUUMAYA LIFESTYLE LIMITED (Formerly known as Richway International Trade Limited) (the Company) is a Public Company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in a business of Manufacturing of Women Wear Garment.

**Basis of Preparation**

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards as prescribed under section 133 of the companies act 2013('the act') read with rule 7 of the Companies (Accounting) Rules, 2014, the provisions of the Companies Act 2013 (to the extent notified) and guidelines issued by the Securities and Exchange Board Of India (SEBI). The Financial statements have been prepared on an accrual basis. The accounting policies adopted in the preparation of financial statements are considered with those of previous year, except for the change in accounting policy explained below.

**Summary of significant accounting policies.**

**A. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**B. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincide with dispatch and is inclusive of Excise Duty, Sales Tax/VAT, and Freight etc recovered thereon and net of discounts and sales returns.

**Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**C. Fixed Assets & Depreciation**

Fixed assets are stated at cost net of CENVAT and VAT credit less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties and taxes, interest, if any, on specific borrowings utilized for financing the assets up to the date of commissioning, the cost of installation/erection and other incidental expenses.

Depreciation on tangible assets is provided on the Written Down Value method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ Sold during a period is proportionately charged.

**D. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**E. Inventories**

Inventories are valued at Lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of Completion and estimated costs necessary to make the sale.

**F. Investment:**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

#### G. Foreign currency transaction

Transactions in foreign currency are initially accounted at the exchange rate prevailing on the date of the transaction and adjusted appropriately to capital or revenue, with the difference in the rate of exchange arising on actual receipt/payment during the year.

#### H. Leases

##### Where the Company is the lessee

Leases which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are classified as finance leases and are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as assets acquired on finance lease. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges on account of finance leases are charged to statement of profit and loss.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

#### I. Taxation

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of

deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority. **Minimum alternate tax (MAT)** paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

#### J. Segment Reporting

The company is operating in single segment "business of Manufacturing of Women Wear Garment" and hence segment wise separate reporting as per AS 17 issued by ICAI is not required.

#### K. Impairment of Assets

At the date of each Balance Sheet the company evaluates, indications of the impairment internally if any, to the carrying amount of its fixed and other assets. If any indication does exist, the recoverable amount is estimated at the higher of the realizable value and value in use, as considered appropriate. If the estimated realizable value is less than the carrying amount, an impairment loss is recognized.

#### L. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and are reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is

virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

#### M. Contingent liabilities

A contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements. The company discloses a contingent liability of an income tax appeal filed against an order of Income Tax Assessment for the AY 2016-17 of Rs. 1,32,54,410/-

#### N. Borrowing Cost

Borrowing costs directly attributable for acquisition of qualifying assets are capitalized as part of the asset. The other borrowing costs are charged to revenue as and when they are incurred.

#### O. Earnings Per Share

The company reports basic earning per share in accordance with AS-20 "Earning Per Share". Basic earning per share have been computed by dividing net profit after tax by weighted average number of shares outstanding for the year.

#### P. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

#### Q. NOTES FORMING PART OF ACCOUNTS:

- Contingent Liability provided for in the books Rs.1,32,54,410/- (A.Y. NIL)
- The amount of Exchange difference (Net) credited to the profit & Loss Account for the year Rs. Nil.
- The balances appearing under Sundry Debtors, Sundry Creditors Advances to Suppliers and others are subject to confirmation.
- Details of remuneration to Managing Director and Whole Time Director

Particulars	Year Ended 31.03.19	Year Ended 31.03.18
Director remuneration	2,91,300	2,40,000
Sitting Fees	1,89,722	-
Total	4,81,022	2,40,000

- The Company has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence the disclosures, if any, relating to amount unpaid as at the year end together with interest

paid/payable and other disclosures required to be made U/s.22 of the above Act is have not been given.

- In determining Earning per share as per AS - 20, the Company has considered net profit after tax. The Number of Shares used for determining basic EPS is the total Number of shares issued & fully paid up as at 31<sup>st</sup> March, 2019.
  - No disclosure is required under AS-24 on "Discontinuing Operations" issued by the Institute of Chartered Accountants of India as the company has not discontinued any line of its activity/product line during the year.
8. RELATED PARTY TRANSACTIONS:-

- Related parties particulars pursuant to "Accounting Standard – 18"

#### TRANSACTION WITH RELATED PARTIES

Nature of Transaction	Nature of Relationship	Duration of Transaction	Amount (in Rs.)
Directors Remuneration Ishita Gala	Managing Director	April 18 to March 19	2,91,300
Remuneration To KMPs 1. Ushik Gala	CEO	April 18 to March 19	7,20,000
2. Mahesh Gala	COO	April 18 to March 19	7,20,000
3. Karishma Kaku	CFO	April 18 to March 19	4,80,000
Unsecured Loans Olympus Fintax Solutions Pvt Ltd (Loans had been given & received during the year, Outstanding at the end of year is given)	Where CFO & CEO are directors in the company	April 18 to March 19	1,05,000
Unsecured Loans Suumaya Fabrics Ltd			1,19,03,794
Rangoli Tradcomm Private Limited			10,43,00,000

- Figures of the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's classification.

#### As per our report of even date

For Motilal & Associates  
Chartered Accountants  
FRN No.106584W

CA Mokshesh Shah  
Partner  
Membership No. 172906

Place: Mumbai  
Date: 24/05/2019

#### For & on behalf of the Board

Ishita Gala  
Managing Director  
DIN: 07165038

Ankit Gala  
Independent Director  
DIN: 08271752

Ushik Gala  
CEO

Karishma Kaku  
CFO

CS Heena Shah  
Company Secretary

**Love for  
ECO-FASHION  
expressed in  
ORGANIC COTTON**



**SUUMAYA LIFESTYLE LIMITED**

CIN: L70102MH2011PLC220879

**Registered Office:** Gala No.5F/D, Malad Industrial Units, Co-op Soc. Ltd Kachpada, Ramchandra Lane Extension, Malad (W), Mumbai, Maharashtra 400064. **Tel:** 022 4971 2096

**Website:** [www.suumayalifestyle.com](http://www.suumayalifestyle.com) : **E-mail:** [info@suumayalifestyle.com](mailto:info@suumayalifestyle.com)

**ATTENDANCE SLIP**

(To be handed over at the entrance of the Meeting hall)

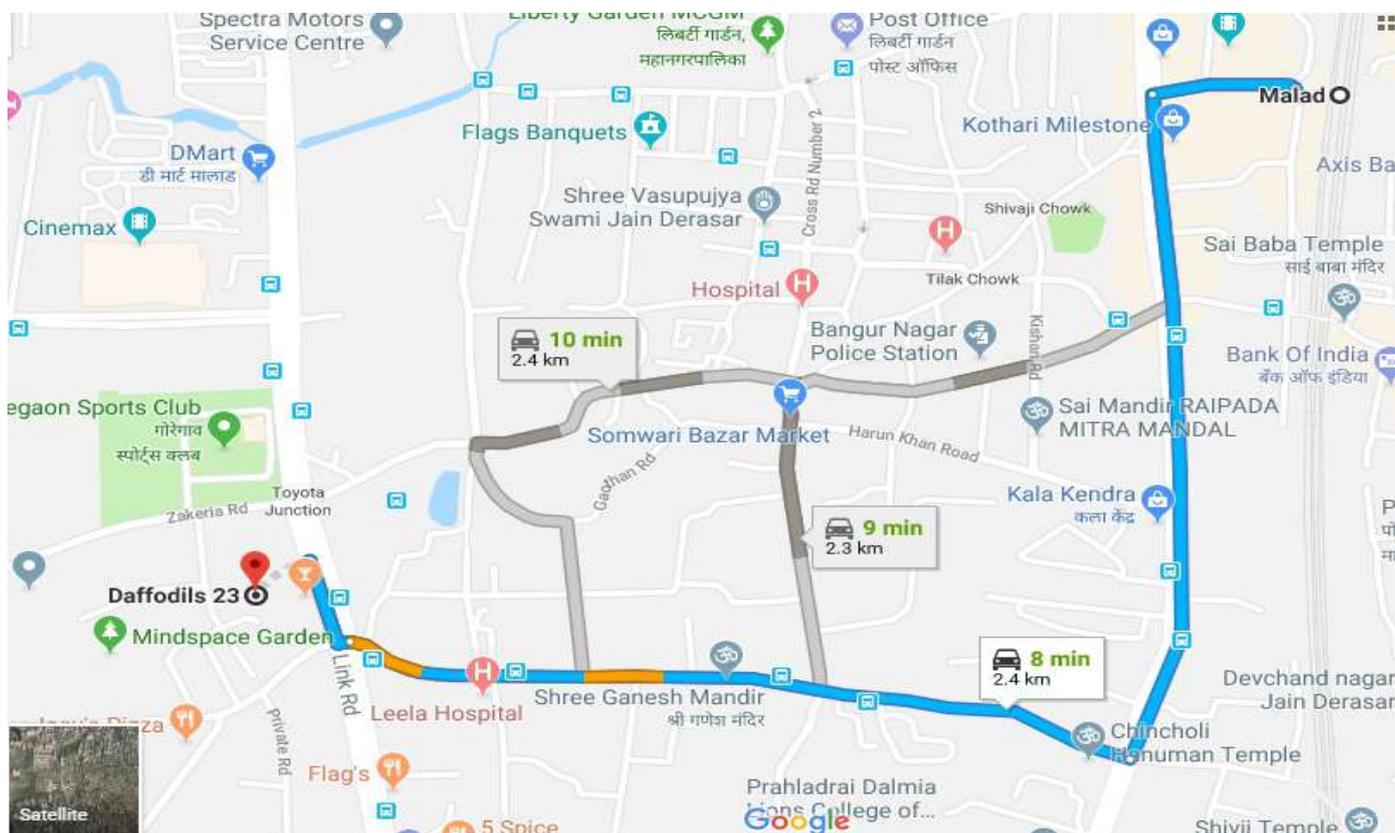
Name and Address of Member:

Folio No :  
 DP ID No. :  
 Client ID No. :  
 No. of Shares :

We/I hereby record our/my presence at the 8<sup>th</sup> Annual General Meeting of the Company held on Friday, September 27, 2019 at 3.00 P.M at Hotel Daffodils 23, Link House, Link Rd, Next to Toyota Showroom, Rajan Pada, Mindspace, Malad West, Mumbai, Maharashtra 400064.

**Signature of the Member / Proxy**

(to be signed at the time of handing over this slip)

**ROUTE MAP****Landmark:** Next to Toyota Showroom**Nearest Station:** Malad Station (Western Railway)

*This page is intentionally kept blank.*

**SUUMAYA LIFESTYLE LIMITED****CIN:** L70102MH2011PLC220879**Registered Office:** Gala No.5F/D, Malad Industrial Units, Co-op Soc. Ltd. Kanchpada, Ramchandra Lane Extension, Malad (W), Mumbai, Maharashtra, 400064. **Tel:** 022 4971 2096**Website:** [www.suumayalifestyle.com](http://www.suumayalifestyle.com) : **E-mail:** [info@suumayalifestyle.com](mailto:info@suumayalifestyle.com)**Form MGT- 11 (PROXY FORM)****[Pursuant to section 105(6) of the Companies Act, 2013 and Rules 19(3) of the Companies (Management and Administration) Rules, 2014]**

<b>Name of the Member(s):</b>			
<b>Registered Address:</b>			
<b>E-mail Id:</b>			
<b>Folio No./Client Id:</b>		<b>DP ID:</b>	

I/ We being Member(s) of ..... Shares of Suumaya Lifestyle Limited, hereby appoint

1. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him

2. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him

3. Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_  
 Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 27, 2019 at 3.00 P.M at Hotel Daffodils 23, Link House, Link Rd, Next to Toyota Showroom, Rajan Pada, Mindspace, Malad West, Mumbai, Maharashtra - 400064 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I/We wish my above proxy to vote in the manner as indicated in the box below:

Item No	Resolution	Type of Resolution	For (Assent)	Against (Dissent)
<b>Ordinary Business</b>				
1.	Adoption of Audited Financial Statements for the year ended March 31. 2019 and reports of the Directors and Auditors thereon.	Ordinary Resolution		
2.	To confirm the interim dividend aggregation to Rs.0.10/- per equity share of Rs.10/- already paid for the financial year ended March 31. 2019	Ordinary Resolution		
3.	To appoint a Director in place of Ms.Ishita Mahesh Gala(DIN:07165038), who retires by rotation.	Ordinary Resolution		
4.	To consider and approve the appointment of Statutory Auditors of the Company to hold office for a period of Five years until the conclusion of the 13th Annual General Meeting and to fix their remuneration.	Ordinary Resolution		
<b>Special Business</b>				
5.	To regularize appointment of Mr.Ankit Gala as an Independent Non-executive Director	Ordinary Resolution		
6.	To regularize appointment of Mr.Sharad Jain as an Independent Non-executive Director	Ordinary Resolution		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019 at \_\_\_\_\_

Signature of Member : \_\_\_\_\_

Signature of Proxy Holder : \_\_\_\_\_

Affix  
Revenue  
Stamp

**NOTES:**

- 1. This proxy form to be effective should be duly completed, dated, signed, stamped and deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of the Meeting.**
- 2. A proxy need not be a Member of the Company and shall prove his identity at the time of attending the Meeting.**
3. This is only option. Please put a " in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote (on poll) at the Meeting in the manner he/she thinks appropriate.
4. Appointing a proxy does not prevent a member from attending the Meeting in person if he / she so wishes. When a member appoints a proxy and both the Member and the proxy attend the Meeting, the proxy will stand automatically revoked.
5. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
6. This form of proxy shall be signed by the appointer or his attorney duly authorized in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
7. This form of proxy is valid only if it is duly completed in all respects, properly stamped and submitted as per the applicable law. Incomplete form or form which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
8. Undated proxy will not be considered valid.
9. If Company receives multiple proxies for the same holdings of the member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all multiple proxies will be treated as invalid.









**SUUMAYA LIFESTYLE LIMITED**

(formerly known as RICHWAY INTERNATIONAL TRADE LIMITED)

CIN: L70102MH2011PLC220879

**Regd. Off:** Gala No. 5F/D, Malad Industrial Units,  
Coop Society Limited Kachpada, Ramchandra Lane Extension,  
Malad (W), Mumbai, Maharashtra - 400064 IN.

**Tel:** 022-49712096 . Website: [www.suumayalifestyle.com](http://www.suumayalifestyle.com)

Email: [info@suumayalifestyle.com](mailto:info@suumayalifestyle.com)