

# SUDITI INDUSTRIES LTD.



C-253/254, MIDC, TTC INDL.AREA, PAWNE VILLAGE, TURBHE, NAVI MUMBAI – 400 703  
Tel. No: 67368600/10, FAX: 27683465: E-mail: cs@suditi.in CIN No. L19101MH1991PLC063245  
Regd.Office: A-2, Shah & Nahar Indl.Estate, Unit No.23/26, Lower Parel, Mumbai-400013.

Ref:No. SIL/S/37/2016-17

Date: 13.10.2016

The Secretary/Corporate Services,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Company Script Code No. 521113**

**Sub: Annual Report for the year ended 31<sup>st</sup>. March 2016 under Regulation 34 of SEBI  
(LODR) Regulations 2015**

Dear Sir,

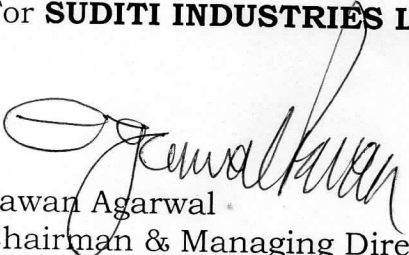
Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find attached herewith the Annual report of the company for the financial year ended 31<sup>st</sup>.March 2016 duly approved and adopted by the shareholders in their 25<sup>th</sup>. Annual General Meeting held on 30<sup>th</sup>. September 2016. Further we also confirm that the audit report issued by M/S. Chaturvedi & Company, Chartered Accountants on the standalone/consolidated audited financial results for the year ended 31.03.2016 are with unmodified opinion.

Kindly acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For **SUDITI INDUSTRIES LTD.**,

  
Pawan Agarwal  
Chairman & Managing Director.

Encl: As above



SUDITI INDUSTRIES LTD.

25th ANNUAL REPORT  
2015 - 2016

OFFICIAL APPAREL LICENSEE



FCBARCELONA



25

SILVER JUBILEE 2016

## BOARD OF DIRECTORS

**Mr. Pawan Agarwal**  
(Chairman & Managing Director)

**Mr. Sushil Kumar Kasliwal**

**Mr. Vivek Gangwal**

**Mrs. Sanjula Sanghai**

**Mr. H. Gopalkrishnan**  
V.P. Finance & Company Secretary

**Mr. Manoj Khemka**  
V.P. Accounts & Commercial

**Registered Office**  
A-2, Shah & Nahar Estate, Unit No.23/26,  
Lower Parel, Mumbai 400 013.

**Factory & Admn.Office**  
C-253/254, MIDC, TTC Industrial Area, Turbhe,  
Pawane Village, Navi Mumbai 400 703

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## Works

### Unit No.1

C-253/254, M.I.D.C., T.T.C. Indl. Area,  
Pawane Village, Navi Mumbai 400 703

### Unit No. 2

C-3/B, M.I.D.C., T.T.C. Indl. Area,  
Navi Mumbai 400 703

## Auditors

Chaturvedi & Co.  
81, Mittal Chambers,  
228 Nariman Point, Mumbai 400 021

## Legal Advisor

**Pabari Legal Associates**  
Building No. 47, Room No. 921  
Gulmohar Co.Op. Housing Society  
Samta Nagar, Near Samta Nagar Post Office  
Kandivali ( East ), Mumbai - 400101

## Bankers

**Axis Bank Ltd.**  
**Indian Overseas Bank**  
**HDFC Bank Ltd.**

## Registrar & Share Transfer Agents

**Sharex Dynamic (India) Pvt.Ltd.**  
Unit-1 , Luthra Indl.premises, Safed Pool,  
Andheri kurla Rd., Andheri (E),

## TWENTY FIFTH ANNUAL GENERAL MEETING

Friday the 30th September, 2016 at  
3.30 p.m. at Walchand Hirachand Hall,  
4th Floor, Lalji Naranji Memorial Indian Merchants'  
Chamber Building Trust (**IMC Bldg.**),  
Churchgate, Mumbai - 400020

As a measure of economy, copies of the  
Annual Report will not be distributed at the  
Annual General Meeting. Shareholders are  
requested to kindly bring their copies to  
to meeting

## SUDITI INDUSTRIES LTD



### NOTICE FOR THE TWENTY FIFTH ANNUAL GENERAL MEETING:

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Friday the 30th September, 2016 at 3.30 p.m. at Walchand Hirachand Hall, 4th Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust (IMC Bldg.), Churchgate, Mumbai - 400 020 to transact the following business:-

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31st March, 2016 and the statement of Profit & Loss Account of the Company for the financial year ended 31st March, 2016 both stand alone and consolidated and the Reports of the Directors and Auditors thereon:
- 2 To declare a dividend exclusively on the portion of the Equity Shares held by the public as on the balance sheet date for the financial year ended 31st March, 2016.
- 3 To appoint a director in place of Smt. Sanjula Sanghai (DIN No:00049344), who retires by rotation and, being eligible, offers herself for re-appointment.
- 4 Re-Appointment of Statutory Auditors:

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

"RESOLVED THAT, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 ("Act"), read with the Companies (Audit & Auditors) Rules, 2014 framed there under, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 12th September 2014, the appointment of M/s. Chaturvedi & Co., (ICAI Firm Registration No.302137E) Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the board of directors be and is hereby authorised to fix the remuneration plus service tax, out-of pocket travelling and living expenses, etc., payable to them for the financial year ending March 31, 2017 as may be determined by the audit committee in consultation with the auditors and such remuneration as may be agreed between the auditors and Board of Directors."

### SPECIAL BUSINESS:

- 5 To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of the section 62(1)(b) and other applicable provisions of the companies Act 2013 read with rules framed there under, the Securities exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time ("the guidelines"), the Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations 2015, the provisions of any regulations/guidelines prescribed by the Securities and Exchange board of India (SEBI) and or the Reserve bank of India (RBI), the provisions of any other applicable laws and regulations ( Including any amendment thereto or modification(s) or re-enactment(s) thereof from

time to time, the Memorandum and Articles of association of the company and subject to any applicable approval(s), permission(s) and sanction(s) if any required as may be, of the Bombay Stock Exchange limited or any such or other authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the board or board constituted committees which term shall include Compensation Committee already constituted by the board, consent of the members be and are hereby accorded to the following modifications in the Suditi Employees Stock Option Plan 2011 in respect of "clause 7.3 of Grant of options" and "clause 9.1 of vesting of options" as given below and such modifications shall be effective from the date of approval of the Resolution by the members in the General meeting."

The present clause" 7.3 of the SUDITI ESOP PLAN 2011"

"Subject to Clause 16 below, the maximum number of Options Granted to any Participant of the Plan shall not exceed 85,200 (Eighty Five Thousand Two hundred) at the time of the Grant."

The above Clause 7.3 shall be substituted with the following clause:

"Subject to clause 16 below, the maximum number of options granted to any participant of the plan shall not exceed 166743 (One Lakh Sixty Six Thousand Seven Hundred Forty Three) at the time of grant."

The present clause" 9.1 of the SUDITI ESOP PLAN 2011"

"Subject to Clause 11.9 below and Clause 12 below and continued employment of the Participant with the Company, the Unvested Options shall vest with the Participant, unless Committee decides otherwise and in compliance of the Committee's decisions as per Clause 9.2 below, in accordance with the following schedule:

- (a) Upto 10% (ten per cent.) of the total Options Granted shall Vest on the first anniversary of the Grant Date.
- (b) Upto 15% (fifteen per cent.) of the total Options Granted shall Vest on the second anniversary of the Grant Date;
- (c) Upto 20% (twenty per cent.) of the total Options Granted shall Vest on the third anniversary of the Grant Date;
- (d) Upto 25% (twenty five per cent.) of the total Options Granted shall Vest on the fourth anniversary of the Grant Date;
- (e) Upto 30% (thirty per cent.) of the total Options Granted shall Vest on the fifth anniversary of the Grant Date.

The above Clause 9.1 shall be substituted with the following clause

"Subject to clause 11.9 below and clause 12 below and continued employment of the participant with the company, the unvested options shall vest with the participant, unless committee decided otherwise and in compliance of the committee's decision as per clause 9.2 below, in accordance with the following schedule:

"The total number of the options granted shall vest in full on the first anniversary of the grant date."

1

**CERTIFIED TRUE COPY**  
For SUDITI INDUSTRIES LTD.

  
CHAIRMAN & MANAGING DIRECTOR

## Twenty-Fifth Annual Report 2015 - 2016

- 6 To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of section 94 and all other applicable provisions of the Companies Act, 2013 (as amended) ('the Act') read with the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the company and subject to other applicable provisions and regulations as may be applicable, or such other approvals as be necessary, approval of the members be and is hereby granted for keeping any one or more of the Index of Members, debenture holders and other security holders if any, the Register of members and other related transfer registers or memorandum of transfers/ transmissions together with the copies of the certificates, share certificates and other documents required to be annexed thereto, of the company at the office of the Registrar and Share Transfer Agent of the company (presently Sharex Dynamic (India) Pvt.Ltd, located at Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed pool, Andheri East Mumbai – 400 072) as may be appointed from time to time by the board on the recommendation of the board committees as may be authorized by the board from time to time, instead of keeping the same at the Registered office of the company."

"RESOLVED FURTHER THAT the such Indices, Registers, Memorandum, certificates, and other relevant documents shall be kept open for inspection, at the office of the Registrars and Share transfer Agent of the company by persons entitled thereto between 11.00 A.M. to 3.00 P.M. on all working days other than Saturdays and holidays, except when such Registers are closed under the provisions of the Act or any regulations as may be applicable from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty or doubt that may arise in this regard or to delegate all or any of the powers conferred on it by or under this Resolution to any committee of Directors of the company or to any Director of the company or the Company Secretary or any other officer(s) or employee(s) of the company as it may consider appropriate in order to give effect to this Resolution."

By Order of the Board of Directors  
For **SUDITI INDUSTRIES LIMITED**

H.Gopalkrishnan  
Company Secretary & V.P. Finance

Place : Mumbai  
Dated : 08/08/2016

### NOTES:

- 1 Since the promoters and promoter group/PAC have expressed their desire in writing to waive their entitlement on the profit distribution in the form of dividend if any declared by the

company for the year 2015-16, the Board has recommended a dividend, exclusively on the portion of the equity capital held by the public as on 31<sup>st</sup> March 2016 at the rate of Rs.0.70 per Equity Share of the company.

- 2 A member entitled to attend and vote at the above Meeting may appoint one or more Proxies to attend and vote instead of him. The Proxy need not be a member of the Company. Proxy form to be valid shall be deposited with the company not later than forty eight hours before the time for holding the meeting. E voting procedures and instructions circular are sent along with the Notice.
- 3 The relevant details in respect of Item No.3 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto.
- 4 The Register of members and the Share Transfer Books of the Company will remain closed from Friday the 23<sup>rd</sup> September, 2016 to Friday the 30<sup>th</sup> September, 2016 (both days inclusive) for the purpose of payment of dividend.
- 5 Members are also requested to notify immediately of any change in their address to the Company/Share Transfer Agents.
- 6 To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company/Registrar and Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. under the signature of the sole/first joint holder, the following information, so that the Bank Account No., Name and Address of the Bank can be printed on the dividend warrants:
- 1) Name of Sole / First Joint holder and Folio No.
  - 2) Particulars of Bank Account, viz.
    - i) Name of Bank
    - ii) Name of Branch
    - iii) Complete address of Bank with Pin Code
    - iv) Account type, whether Saving Account (SB) or Current Account (CA)
    - v) Account No. allotted by the Bank.
- 7 Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 8 Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- 9 All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Holidays between 10.30 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.

## SUDITI INDUSTRIES LTD



Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards) is given below:

Name of Director	Smt Sanjula Sanghai
DIN	00049344
Date of Birth	17.06.1967
Age	About 49 years
Date of Appointment	29.09.2015
Expertise in specific Functional areas	Smt. Sanjula Sanghai has wide experience in administration of business & marketing of textile & other articles
Qualifications	Graduate
Directorships held in other companies (Excluding Foreign Companies)	Lifeline Micro Processors Pvt. Ltd. Citer Holdings Pvt. Ltd. White Rose Finvest Pvt. Ltd. Provincial Housing & Property Ltd. Balaji Prints Limited Bow Balaleshwar Minings Pvt. Ltd. Cipolin Investments Private Ltd.
Committee position held in other companies	NIL
No. of Shares held in the company	NIL
Relationship between director inter-se	Smt. Sanjula Sanghai is not related to any director of the company.
Other Details	Details of number of meetings attended, remuneration drawn, etc, committees represented in the Company are given separately in Corporate Governance Report.

### EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos.5 to 6 of the accompanying Notice dated August 8, 2016:

#### **Item No.5:**

The shareholders had approved the Suditi Employees Stock Option Plan 2011 (SUDITI ESOP PLAN 2011) recommended by the Board in the Twentieth Annual General Meeting held on 2<sup>nd</sup> September 2011. In the plan as per Clause 7.3 the maximum number of options granted to any participant of the plan shall not exceed 85,200 (Eighty Five Thousand Two hundred) being 1% of the capital as the share capital at the time of formation of the plan was Rs.852 lakhs consists of 8520000 shares. Subsequently the number of shares has increased from 8520000 shares to 16763233 on account of issue of shares on Rights basis and exercise of option by the employees. Accordingly the Clause 7.3 the maximum number of options granted to any participant of the plan is now revised to 166743 shares (One Lakh Sixty Six Thousand Seven Hundred Forty Three) from 85200 shares as stated earlier in the plan. Further some of the beneficiary employees have appealed to the Compensation Committee set up by the board for overseeing and managing the SUDITI ESOP PLAN 2011, to modify the present schedule of vesting the options in a phased manner as stated in the clause 9.1 of the Suditi Employees Stock Option Plan 2011.

The present schedule of vesting followed over a period of 5 years in different proportions (10% in the first year, 15%, 20%, 25% & 30% respectively in 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> year), shall be revised and accordingly hereafter any number of options granted to the eligible employees shall be vested in total and complete after one year from the date of grant instead of vesting the same in various stages. The committee after considering various factors recommended to the Board to revise the basis of vesting from five stages into one stage of the entire options granted. Accordingly the Board after considering the recommendation of the committee as well as other various applicable rules and regulations accepted the proposal in their meeting held on 8<sup>th</sup> August 2016. Since the proposal requires some modification in the Plan though not a major one, needs the approval of the members by way of special resolution to give effect to the proposal before incorporating the same in the plan.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than the Company Secretary (to the extent of his outstanding employee stock options in the company) are in any way, concerned or interested, in the resolution set out at Item No.5 of the Notice.

The Board recommends the Special resolution set out at item no 5 of the Notice for approval by the members.

#### **Item No.6:**

The company has close to 11000 members and presently the Register of members are kept at the Registered office of the as per the requirements of the Companies Act 2013. However this poses logistical problems to the company as the entire share transfer and other share related activities are carried out at the Registrars & Transfer Agents office and the same needs to be transferred to the registered office regularly to update. As this was creating a duplication of work and wastage of expenses involved in maintaining the same, it is now proposed to transfer and maintain the Register of members and other share related transfer documents at the office of the Registrars & Transfer Agents M/S. Sharex Dynamic (India) Pvt. Ltd., located at Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai - 400072. The proposed resolution also enables the Board of Directors of the company (which term shall be deemed to include any committee thereof), to keep and maintain the Register of members and share transfer registers and books at the R&T Agents office whomsoever may be assigned this job from time to time at whichever place they operate.

None of the Directors or Key Managerial Personnel of the Company or their relatives, is in any way, concerned or interested, in the resolution set out at Item No.6 of the Notice.

The Board recommends the Special resolution set out at item no. 6 of the Notice for approval by the members.

By Order of the Board of Directors  
For **SUDITI INDUSTRIES LIMITED**

H.Gopalkrishnan  
Company Secretary & V.P. Finance

Place : Mumbai  
Dated : 08/08/2016

Registered Office:

A-2, Shah Nahar Estate,  
Unit No.23/26, Lower Parel,  
Mumbai – 400 013.

## Twenty-Fifth Annual Report 2015 - 2016

<b>SHAREHOLDER INSTRUCTIONS FOR E-VOTING</b>									
<b>VOTING THROUGH ELECTRONIC MEANS - INSTRUCTIONS</b>									
<p>Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the Twenty Fifth Annual General Meeting to be held on Friday the 30<sup>th</sup> September, 2016 at 3.30 p.m. The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.</p> <p>The company has appointed Shri. Shiv Hari Jalan, Company Secretary as the scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 23<sup>rd</sup> September, 2016.</p> <p><b>The instructions for shareholders voting electronically are as under:</b></p> <p>(i) The voting period begins on <b>Tuesday the 27<sup>th</sup> September, 2016 (9.00 a.m. Indian Standard Time) and ends on Thursday the 29<sup>th</sup> September, 2016 (5.00 p.m. Indian Standard Time)</b>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>(ii) The shareholders should log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>.</p> <p>(iii) Click on Shareholders.</p> <p>(iv) Now Enter your User ID</p> <ol style="list-style-type: none"> <li>For CDSL: 16 digits beneficiary ID,</li> <li>For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</li> <li>Members holding shares in Physical Form should enter Folio Number registered with the Company.</li> </ol> <p>(v) Next enter the Image Verification as displayed and Click on Login.</p> <p>(vi) If you are holding shares in demat form and had logged on to <a href="http://www.evotingindia.com">www.evotingindia.com</a> and voted on an earlier voting of any company, then your existing password is to be used.</p> <p>(vii) If you are a first time user follow the steps given below:</p>	<table border="1"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>For Members holding shares in Demat Form and Physical Form</b></th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"><b>PAN</b></td> <td> <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 in the PAN field.</li> <li>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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul> </td> </tr> <tr> <td style="vertical-align: top;"><b>DOB</b></td> <td> <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> </td> </tr> <tr> <td style="vertical-align: top;"><b>Dividend Bank Details</b></td> <td> <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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)</li> </ul> </td> </tr> </tbody> </table> <p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(ix) Members holding shares in physical form will then directly reach 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.</p> <p>(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.</p>	<b>For Members holding shares in Demat Form and Physical Form</b>		<b>PAN</b>	<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 in the PAN field.</li> <li>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. Eg. 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<b>For Members holding shares in Demat Form and Physical Form</b>									
<b>PAN</b>	<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 in the PAN field.</li> <li>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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>								
<b>DOB</b>	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>								
<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If 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)</li> </ul>								



- (xi) Click on the EVSN for the relevant Suditi Industries 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 same 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 available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. 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 Corporates.
    - 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 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.
  - (xx) 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).
- Other Information:-**
- (i) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of 23<sup>rd</sup> September, 2016.
  - (ii) Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.
  - (iii) The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the chairman.
  - (iv) The chairman shall declare the result of the voting forthwith. The results declared along with the scrutinizer's report shall be placed on the company's website [www.suditi.in](http://www.suditi.in) and on the website of CDSL and shall simultaneously forward the results to BSE Limited.
  - (v) Voting will be provided to the members through e-voting and/or at the AGM venue. A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.



## Twenty-Fifth Annual Report 2015 - 2016

### DIRECTORS' REPORT:

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company together with the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Profit and Loss Account for the year ended on that date.

### Financial Results: (Rs. in Lakhs)

Particulars	Current Year Ended 31.03.2016	Previous Year Ended 31.03.2015
Export Sales	10.15	29.99
Local Sales	8044.09	6960.00
Other Income	56.71	57.18
Gross income	8110.95	7047.17
Profit before Interest and Depreciation	736.05	565.24
Finance Cost	298.55	250.24
Profit after Finance Cost	437.50	315.00
Depreciation	173.90	194.27
Profit / (Loss) before Tax	263.60	120.73
Provision for Tax	222.43	23.05
Profit / (Loss) after Tax before extra ordinary items	41.17	97.68
Extra Ordinary Items (Net)	105.50	(3.56)
Net Profit	146.67	97.68
Add: Brought forward from the previous year	901.23	832.27
Transfer to General Reserve	-	-
Amount available for appropriation	1047.90	926.39
Proposed Dividend	29.35	20.97
Tax on Proposed Dividend	6.06	4.19
Balance carried to Balance Sheet	1012.49	901.23

### Dividend:

In order to balance the growth and developmental activities of the company as well as to fulfill the aspirations of the public stakeholders, the promoters have in writing waived their entitlement on the profit distribution in the form of dividend if any declared by the company for the year 2015-16. Accordingly the Board after considering all these aspects has recommended a dividend for the year under review at the rate of Rs.0.70 per Equity Share only on the portion of the paid up equity capital held by the public as on 31<sup>st</sup> March 2016. No amount has been transferred to General Reserve from the profits for the year 2015-16.

### Operations:

The company has registered substantial improvement in the overall performance during the year under review in comparison to previous year. The company has achieved an increase of over 15% in the sales figures and a substantial increase of around 118% in the net profits before tax in comparison to previous year. During the year the Retail division has given a significant contribution towards the growth in the sales and overall profit of the company in comparison to the previous year. However the performance of the Retail division separately as a division needs to be improved further to bring the same on anticipated levels. Consequently the company had to absorb some amount of the losses generated by the Retail business activities. Because of this the overall profit recorded by the company is lower than the projections for the year under review. The improved economic conditions in the country augur well for the textile sector and in general there is optimism prevailing

all over the country, even though the situations continued to remain grim in the other part of the world. Hence the export of textile goods still needs to gain momentum which again depends largely on global factors. Since the company has a strong presence in the domestic market there is no negative slide in the sales growth. However for the retail division the company needs to give further thrust in the development of product ranges in the licentiate items as well as the marketing network.

The company continued to take necessary measures to strengthen the operations of the Retail division to make it a profitable business. Many unviable outlets selectively chosen in various formats were either discontinued or converted into own stores to bring better management in the operation. The company is now giving major thrust to expand the business through on line sales network like Flip kart, Jabong, Myntra etc. Further the company is also using other social network to expand the reach of the products to the actual users as well as to increase the sales network through other media like Television channels and other social media. Finally regarding the pending EPCG License issue, the company is actively pursuing the case with DGFT office to resolve the matter at the earliest.

### Export Sales:

The textile export market remained sluggish throughout the year because of economic slowdown in almost all parts of the world. Apart from this, the preferential trade regime followed by some leading importers of textile goods, has a negative impact on the growth of export trade in the world. Hence the export performance for the year is not as per the estimates made by the company. Because of these factors, the company continued to remain focused maximum in the local market. The negligible exports were mainly sent in the form of finished fabrics to neighboring countries like Bangladesh. The company is now making all-round efforts to increase the volume of fabric shipments to Bangladesh which again depends upon the global economic conditions as Bangladesh mainly caters to the export market. The company still pursue with some export promotion agencies to explore the possibility of developing new markets in African and Far East countries. However much depends upon the positive changes in the global economic conditions particularly in the US and European economies. The company still pursues its objective to achieve the target of exporting 50% of its capacity to the overseas customers with better value addition. Similarly efforts are made with various reputed buyers to align with their brands in the overseas market to promote the exports in large volume.

The company also takes initiatives to develop export potential by taking active participation in various international Fairs/exhibitions as well as selling garments by using the brand and logos of some important sports clubs/events. The company has started selling garments in the local market under licentiate arrangements by executing agreements with some reputed football clubs in Europe. In the future the company may be able to enhance the scope of the sales through these arrangements in the other part of the world. Once the present turmoil in the global market is settled, India can look forward to have a better market share than other competitors in the global markets. Hence the prospects for the company are good in terms of better unit value realization and volume. Besides this, the company has developed capability to make better product range particularly in printed and embroidery varieties. In view of these, company continues to follow its plans to increase the exports business in sizable volume in the future.

### New Licentiate Rights:

The company has developed and produced wide range of garments under licentiate rights executed with globally well known football clubs like FC Barcelona, Manchester City, and Real Madrid. These brand LOGOS are embossed on the garments under licentiate



rights acquired for India. The overall response is very good and encouraging. The company has now acquired adequate experience and expertise in this particular style of production. Hence the company has now associated with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh to create a clothing line under YWC label. For the company this is the first such venture and anticipates a good outcome from this venture. The company is now also exploring other avenues in the similar lines to promote the sales with better value addition.

**Expansion:**

The management continues to maintain the plan adopted earlier in respect of expansion plan and accordingly the company has not undertaken any new projects during the year under review. Further in the prevailing economic conditions, there will not be any major expansion plan in the current year some except addition of balancing equipments and replacement of old machineries and equipments. The remaining portion of the funds available for retail expansion plan as proposed in the Rights issue offer documents is utilized completely and hereafter any utilization of the funds for the Retail expansion will have to be financed by the company from its own sources.

**Human Resources & Industrial Relations:**

Human resources are one of the most important assets for the company. Efforts are made systematically in attraction, retention and development of talent as an ongoing process. A number of programs are made that provide focused people attention. The thrust is on the promotion of talent internally through job rotation and job enlargement. The Industrial relations with the employees at the Company's plant at MIDC, TTC Industrial Area, Pawne Village; Navi Mumbai and in the other locations continue to remain healthy and cordial.

**Share capital:**

During the year under review, the company has not issued any class of shares like shares with preferential rights or sweat equity shares and accordingly there is no change in the Subscribed and Issued capital. However after the closing of the financial year 2015-16, the company in the month of May 2016, has issued 88930 shares to employees under SUDITI ESOP PLAN 2011.

**Suditi Employee Stock option Plan 2011 (Suditi ESOP 2011):**

The company had granted options to the employees in the year 2013 under the Suditi Employee Stock Option Plan 2011. Each option is equal to one share at par (Rs.10/- each) being the price fixed for exercising the right. To facilitate the employees to exercise their right to buy the options granted to them, the Company has divided the total options granted on certain prescribed basis over a period of 5 years. The share arising on exercise of the options shall be subject to a lock in period of 1 year from allotment. The three parts of the grant has been vested till the date of 31<sup>st</sup> March 2016. The revised details are as follows:

Granted		Accepted		Rejected		Vested
No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)	No of Employees	Total options	Upto third part of Grant
83	350800	20	253200	63	97600	103000

The disclosure of the details is as follows:-

- (a) Options granted & accepted; 253200
- (b) The pricing formula: At par
- (c) Options vested: 103000
- (d) Options exercised: During the year under review, no employee has exercised their options under the Scheme. However during the current year in the month of May 2016, 12 employees have exercised their options under the SUDITI ESOP PLAN 2011.

- (e) The total number of shares arising as a result of exercise of option: During the year under review, there were no shares allotted as there were no exercise of options. During the current year in the month of May 2016, the board allotted 88930 shares on the recommendation of the Compensation Committee for 12 employees on exercise their options under SUDITI ESOP PLAN 2011.
- (f) Options lapsed: 97600
- (g) Variation of terms of options: NA
- (h) Money realised by exercise of options: Nil
  - (i) Total number of options in force: 253200
  - (j) Employee wise details of options granted to:
    - (i) Senior managerial personnel: 243500 (includes 35000 options granted to Company Secretary & V.P. (F) and no Director is granted any options under Suditi ESOP Plan 2011).
    - (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: Nil
    - (iii) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil
- (i) Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share']: No options are exercised till date.
- (j) Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed: The impact on account of this will reduce the profits by Rs.1574753/- and accordingly on proforma basis the company's basic and diluted earnings would have been Rs.0.79 and Rs.0.78 respectively:
- (k) Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock: NA
- (l) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:
  - (i) Risk-free interest rate: 6.31%
  - (ii) Expected life: 5 years
  - (iii) Expected volatility: 5.59%
  - (iv) Expected dividend: Rs.0.70 per share
  - (v) The price of the underlying share in market at the time of option granted: Rs.7.68

**Particulars of Employees**

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details are stated separately in the Managerial Remuneration.

**Meetings:**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year four Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## Twenty-Fifth Annual Report 2015 - 2016

### Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors have reviewed the performance of all the Directors including their own performance, as well as the evaluation of the working of its Audit committee, Nomination & Remuneration committee and other Compliance Committees. The details are provided in the Corporate Governance Report.

### Declaration by an Independent Director(s) and re-appointment, if any:

A declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been submitted to the Board in the first Board Meeting for the year 2016-17. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

### Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee follows a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

### Managerial Remuneration:

- A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Enclosed as Annexure II).
- B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement of the name of the top ten employees of remuneration drawn is given in Annexure II). Further the statement showing the requisite information pursuant to the Companies (Appointment of Managerial Personnel) Rules 2014 is not annexed herewith as there are no employees covered by the rule (2) (i)(ii) & (iii).
- C) Any director who is in receipt of any commission from the company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. Nil
- D) There are no disclosures to be made as the directors except the Chairman & Managing Director, are not in receipt of any remuneration or stock options other than sitting fees and reimbursement of expenses incurred for attending the meeting. The details are furnished separately in the corporate governance report.

### Details of Subsidiary/Joint Ventures/Associate Companies:

The company has incorporated two subsidiaries in the month of March 2015 and the subsidiaries have commenced their business from April 2015. One of the subsidiaries M/s. Suditi Design Studio Limited has commenced sales business activities while the other subsidiary M/s. Suditi Sports Apparel Limited is yet to commence their sales business operations. The details pursuant to sub-section (3) of section 129 of the Act, containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures etc are annexed herewith. The Company has also presented the

Consolidated Financial Results along with the Standalone Financial Results of the Company for the first time. The Consolidated Financial Results are the combined performance of the Company along with its Subsidiaries and the details of the same are provided along with Notes to Accounts.

Summary of Sales: (Rs. in Lakhs)

Particulars	Suditi Industries Limited	Suditi Design Studio Limited (Subsidiary)	Suditi Sports Apparel Limited (Subsidiary)	Consolidated
Sales	8110.95	524.70	-	8565.89
Profit	146.67	(16.88)	-	129.99

The growth in the Business activities of the Subsidiaries will help the Company to increase the sales volume of the Company as the Subsidiary also sources their part of the material requirement from the Company at the best prevailing market rate on arms length basis. In addition to this it also provides value addition to the Company in the Market apart from building brand value. It enables the Company to ensure focused attention to the certain market segment which otherwise not catered or explored by the Company.

### Deposits:

The Company has not accepted any deposits within the meaning of Section 73 & 76 of Companies Act, 2013 and the rules made there under.

### Energy, Technology and Foreign Exchange:

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 is given in the **Annexure I** forming part of this report.

### Directors & the Key Managerial Personnel:

In accordance with the provisions of section 152 of The Companies Act, 2013, Smt. Sanjula Sanghai retire by rotation at the forthcoming Annual general meeting and being eligible offer herself for reappointment. Further the company is in the process of appointing a Chief Financial Officer (CFO) internally to take over the functions of CFO which hitherto was held by Chairman & Managing Director.

### Directors' Responsibility Statement:

The Directors hereby confirm: -

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That 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 at the end of the financial year and of the profit and loss of the Company for that period;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts on a 'going concern' basis;
- v) That the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and;
- vi) That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively;



Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16.

**Corporate Governance:**

A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Regulation 34 & other applicable Regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, form part of the Annual Report.

**Cost Audit:**

In view of the new Companies (Cost Records & Audit) Rules 2014 and amendment thereof, the company is now out of the purview of the Cost Audit Report Rules. Hence the company has not appointed any Cost Auditor for the year 2016-17.

**Auditors:**

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Chaturvedi & Co, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the twenty third annual general meeting (AGM) of the Company held on September 12, 2014 till the conclusion of the Twenty Sixth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

**Secretarial Audit Report:**

In terms of Section 204 of the Companies Act 2013 and the rules made there under, Shri. Shivhari Jalan Practising Company Secretary had been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure separately to this report. The report is self-explanatory and does not call for any further comment other than the explanation given on the appointment of Chief Financial Officer.

**Internal Audit & Controls:**

The Company had engaged SGCO & Co as its Internal Auditor for part of the period. Subsequently, due to their non availability to continue with the Internal Audit assignment of the Company, Board has appointed M/s. Ram Agarwal & Associates as the internal Auditor to continue the task of suggesting and implementing the recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

**Vigil Mechanism:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been made available to each and every stakeholder and the Company has designated two senior officials as Vigilance Officers to support the Vigilance Mechanism functions.

**Risk management policy:**

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, that in the opinion of the Board may threaten the existence of the company as given separately in the Corporate Governance Report.

**Extract of Annual Return:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** forms part of this Annual Report as **ANNEXURE III**.

**Material changes and commitments, if any, to report affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report:**

There are no such material changes and commitments to report under this head other than the association with "YouWeCan" which is explained in detail in the report under the head New Licentiate Rights.

**Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**

There are no such significant and material orders passed by any regulators to report under this head.

**Details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

The company has set up vigilant internal control mechanism to ensure that the financial statements prepared are true, fair and transparent. The company has set up strong internal audit department apart from Management committee to ensure that all the financial transactions executed are in compliance with applicable laws and regulations and in line with the budget plans. Any variations or deviations are appropriately dealt with by the internal Audit department as well as by the Audit committee. The Company has appointed an independent Chartered Accountant Firm to improve and strengthen further the existing standard operating procedures and same is implemented in stages. According to the management the present mechanism followed in the company is adequate and effective. The details are also stated in the Management discussion and analysis report annexed herewith and form part of this report.

**Particulars of loans, guarantees or investments under section 186 of the companies Act:**

There are no loans/guarantee or security provided during the year under review. The details of investments made are as follows:-  
Details of Investments:-

Sl No	Date of investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of BR	Date of SR (if reqd)	Expected rate of return
1	01/04/15	Suditi Sports Apparel Ltd.	4 lakhs	Business activities	16/01/2015	NA	10 %
2	01/04/15	Suditi Design Studio Ltd.	4 lakhs	Business activity	16/01/2015	NA	10 %
	14/03/16	--- do ---	82 Lakhs	Development of Business activity	11/02/2016	NA	

## Twenty-Fifth Annual Report 2015 - 2016

<b>Annexure I</b>																															
<p><b>Particulars of contracts or arrangements with related parties:</b> The particulars of contract or arrangements entered into by the Company with related parties at arm's length basis referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as <b>Annexure IV</b></p> <p><b>Obligation of company under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act 2013:</b> In order to prevent sexual harassment of women at work place, the company has set up a separate internal compliance committee under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." Under the said Act the Internal Complaints Committee is empowered to look into complaints relating to sexual harassment at work place of any women employee. Accordingly the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and the Committee is authorized to implement the said policy all over the company. During the year Company has not received any complaint of harassment.</p> <p><b>Corporate Social Responsibility (CSR):</b> The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company.</p> <p><b>Transfer of amounts to Investor Education and Protection Fund:</b> The Company does not have any funds lying unpaid or unclaimed for a period of seven years in respect of unclaimed/unpaid dividends. Therefore there are no funds on this account which are required to be transferred to Investor Education and Protection Fund (IEPF). Pursuant to the provisions of the Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM, with the Ministry of Corporate Affairs.</p> <p><b>Listing with Stock Exchange:</b> The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to the Bombay Stock Exchange limited where the Company's Shares are listed.</p> <p><b>Appreciation:</b> Your Company and its Directors wish to place on record their sincere appreciation for the support and assistance extended by different Central and State Government Departments and Agencies, Banks and Financial Institutions, Insurance companies, Customers and Vendors. Your Directors are thankful to the esteemed shareholders for their continued support and confidence reposed in the company and its management. Your Directors also wish to place on record their deep sense of appreciation to all the employees of the Company for their outstanding contribution towards the operations of the Company.</p> <p style="text-align: right;">For and on behalf of the Board of Directors</p> <p style="text-align: center;"><b>PAWAN AGARWAL</b> CHAIRMAN &amp; MANAGING DIRECTOR</p> <p>Place: Mumbai Date: 08.08.2016</p>	<p>Information under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules and forming Part of the Directors Report for the year ended 31<sup>st</sup> March 2016.</p> <p><b><u>Conservation of energy, technology absorption and foreign exchange earnings and outgo:</u></b></p> <p>The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:</p> <p><b>a) Conservation of Energy:</b> Energy conservation is advocated as an important and crucial task for the development of any country. The company regularly observes and follows with utmost importance all the energy conservation measures practiced in the industry and takes all possible measures to implement them in the manufacturing units of the company to the maximum extent.</p> <table border="1"> <tbody> <tr> <td style="width: 5%;">(i)</td> <td style="width: 35%;">the steps taken or impact on conservation of energy</td> <td style="width: 60%;">The installation of Auto Dosing controllers, replacement of old machines with energy saving machines, and continuous monitoring with effective preventive maintenance programme helps the company to conserve the energy and to reduce the wastage of energy thereby saving in cost.</td> </tr> <tr> <td>(ii)</td> <td>the steps taken by the company for utilizing alternate sources of energy</td> <td>The company is assessing the prospects of the usage of solar energy to support heating and daytime usage of lights in the plant.</td> </tr> <tr> <td>(iii)</td> <td>the capital investment on energy conservation equipment's</td> <td>The capital investments on the items installed are not very significant.</td> </tr> </tbody> </table> <p><b>(b) Technology absorption:</b></p> <table border="1"> <tbody> <tr> <td style="width: 5%;">(i)</td> <td style="width: 35%;">the efforts made towards technology absorption</td> <td style="width: 60%;">There are no significant efforts made during the year in regard to technology absorption. However the company continues to monitor the various developments that unfold from time to time in this industry.</td> </tr> <tr> <td>(ii)</td> <td>the benefits derived like product improvement, cost reduction, product development or import substitution</td> <td>Up gradation of technology is mainly aimed towards quality improvement with cost benefits.</td> </tr> <tr> <td>(a)</td> <td>the details of technology imported</td> <td>NIL</td> </tr> <tr> <td>(b)</td> <td>the year of import;</td> <td>NIL</td> </tr> <tr> <td>(c)</td> <td>whether the technology been fully absorbed</td> <td>NIL</td> </tr> <tr> <td>(d)</td> <td>if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</td> <td>NIL</td> </tr> <tr> <td>(iv)</td> <td>the expenditure incurred on Research and Development</td> <td>Insignificant</td> </tr> </tbody> </table>	(i)	the steps taken or impact on conservation of energy	The installation of Auto Dosing controllers, replacement of old machines with energy saving machines, and continuous monitoring with effective preventive maintenance programme helps the company to conserve the energy and to reduce the wastage of energy thereby saving in cost.	(ii)	the steps taken by the company for utilizing alternate sources of energy	The company is assessing the prospects of the usage of solar energy to support heating and daytime usage of lights in the plant.	(iii)	the capital investment on energy conservation equipment's	The capital investments on the items installed are not very significant.	(i)	the efforts made towards technology absorption	There are no significant efforts made during the year in regard to technology absorption. However the company continues to monitor the various developments that unfold from time to time in this industry.	(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Up gradation of technology is mainly aimed towards quality improvement with cost benefits.	(a)	the details of technology imported	NIL	(b)	the year of import;	NIL	(c)	whether the technology been fully absorbed	NIL	(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL	(iv)	the expenditure incurred on Research and Development	Insignificant
(i)	the steps taken or impact on conservation of energy	The installation of Auto Dosing controllers, replacement of old machines with energy saving machines, and continuous monitoring with effective preventive maintenance programme helps the company to conserve the energy and to reduce the wastage of energy thereby saving in cost.																													
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(b)	the year of import;	NIL																													
(c)	whether the technology been fully absorbed	NIL																													
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL																													
(iv)	the expenditure incurred on Research and Development	Insignificant																													



**(c) Foreign exchange earnings and Outgo:**

(Rs. in Lakhs)

Particulars	Current Year (2015-16)	Previous Year (2014-15)
Total Foreign Exchange used	21.80	65.26
Total Foreign Exchange earned (FOB Value)	10.15	43.02

For and on behalf of the Board of Directors

Place: Mumbai **PAWANAGARWAL**  
Date: 08.08.2016 **CHAIRMAN & MANAGING DIRECTOR**

**Corporate Governance:**

**Report of the Directors on Corporate Governance:**

**Company Philosophy:**

Corporate Governance is a system of structuring, operating and controlling an organization with a view to achieving long term strategic goals to satisfy the stakeholder (shareholders, employees, customers, suppliers, government and community) and complying with the legal and regulatory requirements. It is concerned with the morals, ethics, values, parameters, conduct and behavior of the company and management. It is the system by which companies are directed and controlled by the management in the best interests of the shareholders and other stakeholders ensuring greater transparency and better timely financial reporting. The company follows and practices the corporate governance policies and procedures based on the norms laid down by the Board within the overall framework of rules and regulations including the Listing

Agreement with the Bombay Stock Exchange earlier and subsequently from December 2015 as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**Board of Directors:**

The Board is constituted in accordance with the various provisions of the Companies Act including amendments from time to time and also in compliance with the regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details are furnished in the table given below. None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the Companies in which he is a Director.

Category	No. of directors
Non-Executive & Independent Directors including the Chairman (Chairman is not included as he is executive and non independent)	2
Other Non-Executive Directors	1
Executive Director (CEO & Managing Director)	1
Total	4

**Composition of Board of Directors:**

The Board consists of a combination of Executive and Non-Executive Directors as well as Independent Directors with necessary expertise from different fields. The Directors are all persons of integrity with adequate qualifications and experience in different fields like management, marketing, finance & technical and administration who upholds ethical standards and assists the company in implementing best corporate governance practices.

Name of the Director	Date of Appointment	Executive or Non-Executive	Independent	Total No. of Directorships (including SIL)	No. of other outside Committee	
					Membership	Chairperson
Shri Pawan Agarwal	12/09/1991	Executive	No	7	--	--
Shri Sushil Kumar Kasiwal	16/06/2003	Non-Executive	Yes	2	--	--
Shri Vivek Gangwal	16/06/2003	Non-Executive	Yes	2	--	--
Smt Sanjula Sanghai (Women Director)	31/03/2015	Non-Executive	*Yes	8	--	--

Note: Number of Directorship/Memberships held in other companies excludes Directorships/Memberships in Foreign Companies, companies under section 8 of the Companies Act, 2013, membership of managing committees of various chambers/bodies and alternate Directorships.

\*Smt. Sanjula Sanghai is not related to the promoters or their associates and is stated as independent director although not appointed as an independent director. Non-Executive Directors do not hold any shares/convertible instruments in the Company.

**Responsibilities and role of Independent Directors:**

The Board assumes responsibility for a wide range of activities and the Independent directors play a very significant role in the implementation of Corporate Governance policies and practices as per the requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 (Listing Regulations) and other applicable laws. They enrich the Board with their vast experience

and knowledge and take active part in the deliberations during the meetings of the Board and committees.

**Board Meetings:**

Generally the Board Meetings are held once in every quarter to review the quarterly results and additional meetings are also held to consider any specific agenda of items wherever necessary. The Board Meetings are conducted in accordance with the provision of Companies Act and also in accordance with the regulations of Listing Agreement/SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 particularly with respect to those items listed in Annexure X of Clause 49 of the listing agreement and Schedule II Part A of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Senior Management Personnel & Auditors are also intimated to attend the Board meeting, to provide additional inputs to the items being discussed by the Board. Notice and Agenda for the meeting along

## Twenty-Fifth Annual Report 2015 - 2016

with relevant notes/explanations are circulated in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. The company is in compliance with the provisions of the Secretarial standards on the meeting of the Board of Directors.

Four Board Meetings were held during the year from 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2016. Leave of absence was granted by the Board to the Directors who were absent at the respective board meeting.

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
29/05/2015	4	4
13/08/2015	4	3
09/11/2015	4	3
11/02/2016	4	3

Name of Director	Attendance at the Board Meetings held on				Attendance at the AGM held on 29th September 15
	29/05/2015	13/08/2015	09/11/2015	11/02/2016	
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes
Shri Sushilkumar Kasliwal	Yes	No	No	No	Yes
Shri Vivek Gangwal	Yes	Yes	Yes	Yes	Yes
Smt. Sanjula Sanghai	Yes	Yes	Yes	Yes	No

#### Details of Directors being appointed/re-appointed:

Smt. Sanjula Sanghai who was inducted to the board as additional Director was reappointed as a director in the last annual general meeting. The Chairman & Managing Director, Shri. Pawan Agarwal was re-appointed as he retired by rotation in the last annual general meeting. Smt. Sanjula Sanghai, director of the Company retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. Apart from this, there are no other Director is appointed or reappointed during the year.

#### Board Committee:

The Board has constituted the following committees to provide specialized and focused attention relating to all the activities falling within the terms of reference as decided by the Board including the assignments of its Members thereof Viz., Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management committee and Compensation committee.

#### Audit Committee:

Shri Vivek Gangwal chairs the Audit Committee and the other members of the Committee are Shri Pawan Agarwal and Shri. Sushilkumar Kasliwal.

- Shri. Vivek Gangwal is a Chartered Accountant and an expert in Investment and Securities market operations.
- Shri. Pawan Agarwal is a Commerce Graduate with marketing

and commercial expertise in Garment manufacturing and exports.

- Shri. Sushilkumar Kasliwal is a technically qualified and an expert in Textile Industry.

All the committee members are professionals and also financially literate within the meaning of Sub-clause (ii) explanation 1 of clause 49 II (A) of the listing Agreement. The terms of reference of the Audit Committee cover the matters specified in respect of such committee under clause 49 of the Listing Agreement and Regulation 18 (1) (c) of the Listing Regulations, as amended from time to time and Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee includes the matters specified under clause 49 (III) (D) of the Listing Agreement with the stock exchange and part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as section 177 of the Companies Act 2013.

Audit Committee meetings are regularly attended by Statutory Auditor and Internal Auditor, apart from Senior Executives from Finance, Operational functions of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee has met 4 times during the year under review. The attendance of the each member of the committee at the Audit Committee meeting held is as under. Apart from this, the Audit Committee also met once before the presentation of Audited Accounts to the Board.

Name of Director	Category	Attendance at the Committee Meetings held on			
		29/05/2015	13/08/2015	09/11/2015	11/02/2016
Shri. Vivek Gangwal	Non-Executive	Yes	Yes	Yes	Yes
Shri. Sushilkumar Kasliwal	Non-Executive	Yes	No	No	No
Shri. Pawan Agarwal	Executive	Yes	Yes	Yes	Yes

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present at the 24<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2015.

#### Nomination & Remuneration Committee:

There are 3 members of the Board in the Nomination Remuneration committee (Referred as Remuneration Committee). Shri. Sushil Kumar kasliwal is the Chairman of the committee with Shri. Vivek Gangwal and Smt.Sanjula Sanghai are other two members. The Nomination & Remuneration Committee reviews and recommends the compensation payable to the Executive/Managing Director. Further the Committee is also entrusted with the task of periodical

review of the compensation structure and policies of the Company. The terms of reference includes the matters specified under clause 49 of the listing Agreement with the Stock Exchange and Part D of Schedule II to Regulation 19(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. Based on the Recommendation of the Nomination & Remuneration Committee, the Board have formulated and adopted Nomination and Remuneration Policy.

During the year under review the committee met once in 29<sup>th</sup> September 2015. The Committee had reviewed the terms of the re-appointment and the elements of remuneration payable to



the Chairman & Managing Director and accordingly recommended to the Board to maintain the same levels till the next review.

Name	Attended the Meeting	Status
Shri Sushilkumar Kasliwal	Yes	Chairman
Shri Vivek Gangwal	Yes	Member
Smt. Sanjula Sanghai	Yes	Member

**Remuneration Policy:**

The compensation policy followed in the company are subject periodical review with the objective of ensuring that the compensation levels of the Company are in line with industry standards followed in the area. The policy on appointment and remuneration including criteria for determining qualifications, positive attributes as well as

independence of director and all other related matters including various other policies adopted by the Board are also available on the web site of the company.

The Committee reviews the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. The compensation policy of the company includes performance-oriented incentives for various staff and executives in the organization. Whole-time Directors compensations are recommended by the Committee in accordance with the various provisions of the Companies Act and Rules & regulations. Non Executive Directors have not drawn any remuneration from the Company except sitting fees for the Board Meetings attended by them. Details of Remuneration paid to the Directors during the financial year ended 31<sup>st</sup> March 2015:

Name of the Director	Salary	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri Pawan Agarwal	2100000	21600	-	-	2121600
2. Shri Sushilkumar Kasliwal	-	-	1500	1000	2500
3. Shri Vivek Gangwal	-	-	6000	4000	10000
4. Smt. Sanjula Sanghai	-	-	6000	4000	10000

**Compensation committee:**

The company has also set up a Compensation Committee to administer the SUDITI Employees Stock Option Plan 2011(SUDITI ESOP PLAN 2011). The Compensation Committee is constituted with the same 3 Directors of the Nomination and Remuneration committee, as its members and Shri. Vivek Gangwal is the Chairman of the committee. The committee had a meeting during the year under review on 4<sup>th</sup> February 2016. In the meeting all the directors recorded their presence and the committee finalized the vesting of the options to employee covered under SUDITI ESOP PLAN 2011. The committee manages the entire aspects of the SUDITI ESOP PLAN 2011 and advises the Board from time to time on the various issues related to the SUDITI ESOP PLAN 2011.

**Stakeholders Relationship Committee:**

The Stakeholders relationship Committee is constituted with 3 Directors chaired by Shri Sushilkumar Kasliwal. The other members are Shri Pawan Agarwal and Shri Vivek Gangwal. The terms of reference covers the matters specified under clause 49 (VIII) (E) (4) of the listing Agreement with the Stock Exchange and Part D of Schedule II to Regulation 20(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. The Committee approves transfers, transmission, splitting, and consolidation of shares. The Committee also closely monitors the redress of Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend etc. The committee also reviews the process, standard operating procedures, and initiatives taken by the Company relating to investor services. The committee ensures that all transfer/transmission/split/consolidation etc are promptly attended and completed within the stipulated time period.

During the year under review, there were 22 meeting recorded by the committee and the details are given below.

Meetings were held on 28/04/2015, 05/05/2015, 12/05/2015, 02/06/2015, 23/06/2015, 07/07/2015, 21/07/2015, 04/08/2015, 19/08/2015, 01/09/2015, 08/09/2015, 01/10/2015, 20/10/2015, 24/11/2015, 15/12/2015, 22/12/2015, 19/01/2016, 29/02/2016, 17/03/2016, 21/03/2016, 23/03/2016 & 30/03/2016.

Name	No. of Meetings attended During the year	Attended all the Meeting
Shri Sushilkumar Kasliwal	22	Yes
Shri Vivek Gangwal	22	Yes
Shri Pawan Agarwal	22	Yes

The Committee also reviews the performance of R&T Agents periodically, which include the monthly charges, fees for undertaking the services as per the contracts and review of the contract in line with the volume of work and responsibility. The Committee also reviews the grievances report submitted by the Company's Registrar / Transfer Agents, and based on the report, there are no complaints pending against the Company.

**Independent Directors' Meeting:**

During the year under review, the Independent Directors met on September 29, 2016, inter alia, to discuss:

- Evaluation of the performance system for Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the chairman of the Company, taking into account the views of the Executive and Non-executive directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- All the Independent Directors were present at the Meeting.

**Performance Evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement and Regulations 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.



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### Terms of Re-appointment & remuneration - CEO & CMD

There is no change in the remuneration payable to Mr Pawan Agarwal CMD & CEO from the last revision made with effect from February 1, 2015 on his re-appointment.

Period of Appointment	5 years
Salary Grade	Rs.175000/- P.M
Allowances	Reimbursement of conveyance expenses
Perquisites	Nil
Retrial Benefits	As per company Rules
Performance Bonus	Only annual Bonus
Sign-on Amount	Nil
Deferred Bonus	Nil
Minimum Remuneration	Same as above
Notice Period & Severance Fees	Nil
Other	Nil

### Vigil mechanism/ Whistle blower policy:

The above stated policy approved by the board is available on the web site of the company. The Company complies with the requirements and no personnel have been denied access to the Audit Committee. The Chairman & Managing Director along with senior officials of the company ensures that high standards of Corporate Governance and stakeholder responsibility are maintained in the company to avoid fraud and unethical business practices. The Fraud Risk Management Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

### Prevention of insider trading:

The Company has adopted a Code of Conduct for Prevention of Insider Trading which is available on the web site of the company, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary & Head Compliance is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

### Annual General Meeting:

- a) The details of the Annual General Meeting (AGM) held during the last 3 years are as under:

AGM Year	Date and Time	Venue of AGM
24 <sup>th</sup> 2014-15	September 29, 2015 at 3.30 p.m.	Walchand Hirachand Hall, 4th floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai - 400 020.
23 <sup>rd</sup> 2013-14	September 12, 2014 at 3.30 p.m.	
22 <sup>nd</sup> 2012-13	September 06, 2013 at 3.30 p.m.	

- b) Special Resolutions passed at the last three Annual General Meetings:

There were two special resolutions and three ordinary resolutions under special business passed in the twenty fourth Annual General Meeting. In the Twenty third Annual General Meeting there were two special resolutions and two ordinary resolutions under special business passed. Except these resolutions, no other Special Resolutions were passed at the last three Annual General Meetings.

- c) Passing of Special Resolutions by Postal Ballot:

There were no Extra Ordinary General Meetings held during the last three years. There were no Special Resolutions

required to be passed through Postal Ballot in the last three Annual General Meetings. None of the Resolutions proposed for the ensuing Annual General Meeting needs to be passed by Postal Ballot.

### Code of Conduct:

The Board of Directors has approved a Code of Business Conduct which is applicable to the Members of the Board and all employees. All the Directors and Senior Management Personnel have affirmed compliance with the code of conduct/ethics as approved by the Board of Directors.

### Communication and relationship with Shareholders:

The Company maintains a proper and regular system of communication with the Shareholders. The Chairman's Statement and Annual Report which inter-alia includes the Directors Report, the Report of the Board of Directors on Corporate Governance, Management Discussion, and Analysis Report, and the Audited financial results are used as the important means of communications with the Shareholders. Further, there is prompt response to the shareholder's request for any information or enquiry from company and its R&T Agents. Annual General Meeting is the principal forum for direct interaction with the Shareholders. The Company values the role played by Shareholders with great respect and therefore promotes for open and active dialogue with all its Shareholders.

The company also informs the shareholders about the important and significant developments on a quarterly basis while publishing the quarterly financial results in the Free Press Journal in English and Navshakti daily in Marathi. Apart from this, announcement of Board meeting and book closures are also published in the newspapers as per the listing requirement. The Annual report containing relevant details as required under the Listing Agreement with the Stock Exchange and Listing regulations as well as Companies Act 2013 is sent well in advance to each and every shareholder, stock exchanges and to the respective financial institutions. The company has also prepared Investor Presentation and the transcript of the same is available on the web site of the company as well as on the Stock Exchange (BSE).

The Management discussion and analysis report is provided as part of the Directors Report on Corporate Governance.

Details of Directors proposed to be re-appointed at the 25<sup>th</sup> AGM are provided as an annexure to the notice convening the said AGM.

### Disclosures:

- 1) Related Party Transaction:

During the year under review, there are no materially significant transactions entered by the company, which could have a potential conflict of interest between the Company and its Promoters, Directors, Management and/or their relatives etc. except the transactions entered in the normal course of business on "arm's length basis". The necessary disclosures are provided by the Key Managerial Personnel relating to material, financial, and commercial transactions where they and/or their relatives have personal interest. Further, the Company ensures that the terms and conditions in respect of related party transaction are not prejudicial to the interest of the Company. During the year under review sales/purchase transactions between associate companies did not exceed in value in the aggregate of 10% of the total sales/purchase of the Company. The Audit Committee has reviewed the related party transactions as mandatory required under clause 49 of the listing agreement with the stock Exchange/ Regulation 23 of the Listing regulations and found them materially not significant. The detail report of the same is provided as annexure to this report.

- 2) The Company has not observed any significant variation in the accounting treatment from that prescribed to be followed generally in the preparation of the financial statements and complied with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Account Rules 2014 to the extent applicable. The significant accounting policies which are consistently applied have been set out in the "Notes to the Financial Statements".



- 3) With respect to familiarization program for independent Directors, the company has made informal program. The Independent Directors are given familiarization program individually by the Chairman & Managing Director about the status and the prospects of the company vis a vis industry to understand and contribute significantly towards the growth of the organization and the presentations are also sent to them to update about the functioning of the units.
- 4) The company recognizes the concept of Board Diversity and adopted the policy to recognize the benefits of diverse board. Sincere efforts are still continued to strengthen and widen the base of the Board to enhance quality and professionalism in the discharge of its duties.
- 5) Details of non-compliance, penalties, strictures by SEBI / Statutory Authorities /Stock Exchanges on matters relating to capital markets during the last 3 years.

The Company has also complied with the requirements of regulatory authorities on capital markets and also in respect of whistle blower policy regarding access to Audit Committee. No penalties or strictures were imposed on the Company by any Stock Exchanges, SEBI or any statutory authority on any matters relating to capital markets during the last 3 years. The company has complied with all mandatory requirements stipulated under Clause 49 of the listing Agreement with the Stock Exchange and the provisions of the Listing regulations as amended from time to time.

**General Shareholder Information:**

The required information has been furnished separately under the head "Shareholder's Information."

**Auditors Certificate on Corporate Governance:x**

Certificate from Statutory Auditors in respect of the compliance with the conditions of corporate governance as stipulated under (earlier clause 49 of the Listing Agreement with the Stock Exchange) Regulation 34 (3) of the Listing Regulations is annexed herewith as per the requirement.

**Risk Management Committee:**

Business Risk Evaluation and Management is an on-going process within the Organization. The Company has a robust risk management policy in place with framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, and mitigation as well as reporting of risks.

The Management does not envisage any risk associated with commodity price or foreign exchange and there are no hedging activities undertaken by the Company. The composition of the Risk management Committee as at March 31, 2016 and details of the Members participation at the Committee Meeting are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 29/09/2015
Shri. Pawan Agarwal	Chairman & Managing Director	Present
Shri. Vivek Ganagwal	Director	Present
Shri.Sushilkumar Kasliwal	Director	Present
Shri.R. Chinraj	President	Present
Shri. Manoj Khemka	V.P.(Commercial & Accounts)	Present

**CEO/CFO Certification:**

Shri. Pawan Agarwal Chairman & Managing Director and CEO/CFO has submitted necessary certificate to the Board stating the particulars specified under the listing regulations 17(8) of the SEBI (LODR) Regulations 2015 and reviewed by the Audit Committee. The said certificate is annexed and forms part of the Annual Report.

**DECLARATION & CERTIFICATION BY THE MANAGING DIRECTOR AND CEO/ CFO.**

I Shri. Pawan Agarwal, Chairman & Managing Director of Suditi Industries Ltd., to the best of my knowledge and belief certify that:

- a. I have reviewed the financial statement and cash flow statement for the year ended 31<sup>st</sup> March, 2016 and to the best of my knowledge and belief:
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. I also certify that to the best of our knowledge and belief, there are no transactions entered into by Suditi Industries Ltd., during the year; which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which I am aware and the steps that I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
  - i) Significant changes, if any, in internal controls during the year.
  - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
- f. All the Directors and Senior Management Personnel have confirmed compliance with the code of conduct/ethics for the year ended 31<sup>st</sup>.March 2016.
- g. I further confirm that all Board members and designated senior management personal have affirmed compliance with their respective Code of Conduct for the Directors and senior management for the financial year ended 31<sup>st</sup> March 2016, as approved by the Board.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 08.08.2016

**PAWAN AGARWAL**  
CMD & CEO/CFO

## Twenty-Fifth Annual Report 2015 - 2016

### OTHER REQUIREMENTS

1. In respect of the Discretionary requirements as specified in Part E of Schedule 2 (Regulation 27(1) of SEBI (LODR) requirements 2015), the Company has complied only with respect to unmodified audit opinion and reporting of Internal Auditor to the Audit Committee.
2. The Company has constituted a Compensation Committee as required under the applicable rules and regulations for SUDITI ESOP PLAN 2011 and the details are already provided in the Corporate Governance Report.
3. As regards training of Board members, the Directors on the Board are seasoned professionals having wide range of expertise in diverse fields and no separate training programme is given.
4. The quarterly/half yearly and Annual Financial Results, Code of Conduct etc., are also displayed in the website of the Company for the information of Shareholders/members and general public. The quarterly/half yearly results are also reported to Stock Exchange and published in National newspapers in English and in Marathi newspapers having wide circulation. The same are not sent separately to Shareholders of the Company.
5. Maintenance of Non-Executive Chairman's Office.
  - (a) Company is not maintaining Non-Executive Chairman's office.
  - (b) As on date no Independent Directors have a continuous tenure exceeding nine year as they are re-elected as Independent Director in the 23<sup>rd</sup> Annual general Meeting for a term of 5 Years.
6. Audit Qualifications – Nil.
7. The Company has complied with the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and the details are stated separately including various management policies and full Annual Report which are all available on the website of the Company [www.suditi.in](http://www.suditi.in).

### Management Discussion and Analysis Report:

Management discussion and analysis report reflecting the performance and outlook including the future prospects for the Company is presented herewith.

### Overview:

It was an eventful year for the company and encouraged by the better business sentiment, the company has adopted multipronged strategy to achieve better growth in the sales as well as in the bottom lines. India's GDP gained momentum in the final quarter of FY 2015 and pushed full-year growth to a five-year high. GDP grew 7.6% in FY 2015, which was up from 7.2% in the previous fiscal year and primarily reflected robust growth in private consumption, which accounts for nearly 60% of the economy. The budget deficit has been shrinking for several years and is expected to narrow further in FY 2016. The government has set a goal to reduce the shortfall to 3.5% of GDP in FY 2016. India is set to have another year of strong growth propelled by healthy domestic dynamics. Fast labor force growth and a rapidly-expanding middle class should continue supporting private consumption. New forecasts from the World Bank show India will be a bright spot amid a gloomy outlook for developing countries in the next two years. Stretching the weather metaphor further, the bank says that India is "well positioned to withstand near-term headwinds and volatility in global financial markets" compared with other major emerging economies and predicts it will grow at 7.9% by 2018. That would make it the fastest-growing developing-country economy by some margin, ahead of the next quickest, Bangladesh, at 6.8% and China at 6.5%, according to the World Bank's "Global Economic Perspectives" report. Apart from this, the special package of Rs.6, 000 crores announced for boosting the textile industry is

important for many reasons. After fully reaping the benefits of access to the markets of developed economies in the post-Uruguay Round world, China is beginning to exit the textiles and apparel sector due to rising domestic wages. This leaves a huge demand base for India to exploit as rightly recognized by the government. Considering these factors general trend is very much in favor of the Industry and the company has set ambitious targets to take the lead in the coming years ahead.

### Significant Financial Events of the Year:

During the year under review, the Company has recorded profit of Rs.210.84 lakhs before tax in comparison to Rs.120.72 lakhs pertaining to corresponding previous year. There is substantial improvement in the profit levels due to increase in the sales turnover in comparison to previous year. However the growth in the retail business is not on anticipated line due to slack demand conditions persisted for some period in the market. Even though there were some visible signs of development in the economy, the conditions in the market are yet to stabilize. Keeping this fact, the company continued to follow the measures taken in the earlier years, to improve the operational viability of the Retail outlets of the company. In this context the company focused mainly on online sales and reduced the exposure to the Retail outlets and counters by closing down all unviable outlets. During the year the company had undertaken the sales of products manufactured by using the licentiate rights acquired from FC Barcelona, Manchester City, and partly Real Madrid also. Further in order to promote the sale of garments the company has associated with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh to create a clothing line under YWC label. The company has drawn up very ambitious plan to achieve significant growth in the sales business under this label in the current year

The performance of one of the subsidiary M/S. Suditi Design Studio Limited is showing significant in terms of the growth in the sales both in value and volume. The other subsidiary M/S. Suditi Sports Apparel Limited is yet to commence sales business activities and business operations are expected to commence from the last quarter of the current year. The performance of the process house, printing unit and the garment unit continue to remain stable and satisfactory. Further during the year there was an incident of fire at one of our jobworker plant and small quantity of yarn given to them for jobwork was destroyed for which the company has made necessary claim with the Insurance Company as well as with the Jobworker. However this will not have any significant financial impact on the performance of the Company. After considering all these factors, the board has decided to recommend the dividend @ Rs.0.70 per equity share of Rs.10 each to be paid only to the shareholders (under public category) other than promoters and the persons acting in concert with them.

### Opportunities & Threats:

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The textile industry records an annual growth of around 6-8%. The sector is expected to be touch around USD 226 billion by FY2023. Further the population is expected to reach to 1.34 billion by FY2019 and the urbanization is expected to support higher growth due to change in fashion and trends. For the textile industry, the proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers. It will also bring in greater investments along the entire value chain - from agricultural production to final manufactured goods • With global retail brands assured of a domestic foothold, outsourcing will also give rise significantly to new opportunities.

Capacity built over the years has led to low cost of production per unit in India's textile industry; this has lent a strong competitive advantage to the country's textile exporters relative to key global peers. 4The sector has also witnessed increasing outsourcing over the years as Indian players moved up the value chain from being mere converters to vendor partners of global retail giants The strong



performance of textile exports is reflected in the value of exports from the sector over the years. Even though in the last year there was staggered level of growth in the export of textile articles, the textile industry continues to draw the attention of the government because of huge potential for growth in the sector. In this context, the special package of Rs.6,000 crores announced in the month of June 2016 for boosting the textile industry is important for many reasons. After fully reaping the benefits of access to the markets of developed economies in the post-Uruguay Round world, China is beginning to exit the textiles and apparel sector due to rising domestic wages. This leaves a huge demand base for India to exploit as rightly recognized by the government. In the coming decades, Africa and Latin America could very well turn out to be key markets for Indian textiles.

Another notable feature observed is the shift towards the market of branded ready-made garment. In this age of fashion, everyone is searching for the quality and strength through the name of company. In the world lot of small textile start-ups are coming up. They have a great opportunity to become an exemplary for their service and quality. This will help them to establish their company brand worldwide. Further number of new emerging malls and retail industries are providing opportunities to industry's segments like handicrafts and apparels. There is a provision of more FDI and investment opportunities. The global needs are being catered with product development. An upsurge in the purchasing power and disposable income of Indian customers has opened room for new market development. The Indian Textile Industry is an Independent & Self-Reliant industry. Abundant Raw Material availability helps the industry to control costs and reduces the lead-time across the operation. Availability of large varieties of cotton fiber and fast growing synthetic fiber industry are giving much needed boost to the industry. Availability of Low Cost and Skilled Manpower provides competitive advantage to industry. India has great advantage in Spinning Sector and has a presence in all process of operation and value chain. The company is really making sustained efforts to make its presence in all forms of market existence including e-commerce platform through online sales arrangement. In case product development the company is in the process of creating a niche in the market for manufacturing and selling apparels under licentiate arrangements with various sports clubs or institutions related with the sports events.

However in spite of all these, the Industry continues to toil with some inherent weakness. As the Textile Industry is highly fragmented with high dependent on cotton, seasonal fluctuations in the cotton prices have a serious impact on the profit margins of the company. The productivity in various segments is very low compared to international standards. Even though there is a possibility of exit of China from some product segment of the industry, still China holds the key in the international market in terms of competition. The lack of technological development affects the productivity and other activities in whole value chain are another adverse factor to the growth of the industry. Further there is a problem for our Industry to strike a balance between quality and price of products as well as demand and supply. The Infrastructural bottlenecks and efficiency such as, Transaction Time at Ports and transportation time along with unfavorable labor laws and environmental issues add more problems to the already existing fragile structure of the industry. Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world. As E-business is executed globally, the industry, instead of local competition, confronts with the global competition. Branded and Big companies have already stood with their names in this field. Mostly the consumers are habitual for these companies with their cost.

The company closely observes and analyses all these emerging opportunities while keeping a watch on all the unfavorable factors to ensure that the company is able to utilize the opportunities to the best advantage. The company ensures that there is synergy between the product range, the cost of production and the selling price. The company continues to develop new product range for the Retail business to expand the scope of existing business

levels. The subsidiaries are set up to develop the new business plans like selling apparels linked with some sports events, as well as apparels with ethnic designs and patterns. In view of inherent strength build up over two decades, it is now well placed to take substantial advantage of this opportunity in the global textile market as well as in the local market.

#### Industry Structure & Development:

India's textile industry has a long history of being a mainstay of the economy's global trade linkages. Today, India has the second largest manufacturing capacity in textiles globally and accounts for 13% of the world's production of textile, fibre and yarn. However, it lags in terms of competitiveness and productivity. The fundamental strength of the textile industry in India is its strong production base of wide range of fibre/yarns from natural fibers like cotton, jute, silk and wool to synthetic /man-made fibers like polyester, viscose, nylon and acrylic. Textile plays a major role in the Indian economy as it contributes 14 per cent to industrial production and 4 per cent to GDP. With over 45 million people, the industry is one of the largest sources of employment generation in the country. The industry accounts for nearly 13 per cent of total exports. The size of India's textile market in 2014 was USD 99.0 billion which is expected to touch USD 226 billion by 2023 at a CAGR of 8.7 per cent.

The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The Indian textiles industry is extremely varied, with the hand-spun and hand woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

Clothing and textiles products begin as fibers – which are either natural (e.g. cotton, silk, wool), man-made (made from cellulosic's, e.g. viscose) or synthetic (oil used to create polymers, e.g. polyester, acrylic and nylon). The data shows that demand for natural fibers has been approximately constant, while demand for man-made fibers has nearly doubled and within this man-made category, growth has been driven by demand for polyester. Manufacture of textiles begins with spinning the original fibers, which are relatively short and thin, into yarns. These yarns are converted into fabrics (often flat sheets), by one of two processes. Weaving or knitting. The 'flat' fabric must then be formed into a '3D shell' to be useful as clothing. From the design of a garment to the pressing and packaging of a finished product a range of processes are required – each with different requirements for capital, technology and labour: designing, pattern making, grading, nesting and marking, cutting, sewing, quality inspection, pressing and packaging. There is continuous development of technology at all levels of these activities aiming at reduced labour intensity and quicker delivery. However, in 300 years of innovation, no technical substitute has been found for human hands able to handle and sew all kinds of fabrics, a task that is still complex for robots. Instead, the industry has relocated in pursuit of cheap labour (often women) – for whom a low paid job performing repetitive tasks in a factory is more attractive than any of their other options. However, due to innovations in knitting machines, knitwear is increasingly made by machines – delivering seamless whole garments. Some other production technology innovations include laser cutting of fabric, automated sewing machines that 'learn' operations from humans

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and ink jet printing of fabric or made-up garments. Integration of computer aided design and manufacture in the whole supply chain is being developed to reduce lead times and improve the quality and performance of products. Recent research in the industry has aimed to transfer technologies from the automotive industry to use 'new industrial robotics' to reduce the need for expensive labour. This is economically attractive for manufacturers in developed countries with high costs – but potentially will remove important employment opportunities in developing countries. The sector has also seen a rapid adoption of novel IT solutions for production system control and virtual design, stock control, replenishment and real-time monitoring of fashion trends. Further the textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 1.77 billion during April 2000 to September 2015. The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Rapid development in the online retail is making the industry vibrant and always provides robust growth. Present market is always in a search of new or innovative Textile products, which always put a pocket money burden on consumer and financial burden on manufacturer. In this digital age all the customers are not very well verse with the identification of fake websites. So there is always chance of web spoofing.

The Company constantly monitors the fast moving developments and changes in the structure and the business styles in the industry. The company evaluates regularly all these developments and takes necessary measures to ensure that the company operates within necessary flexibility to adapt to the changes. The company is now in the process of expansion of the Retail business mainly in the online marketing platform as well as social networking sites. The company is also gradually specializing in the manufacture and sale of apparels specially designed with some sports event and sports promotion campaigns and clubs. Subsidiaries companies are put into operation to develop retail business in different formats and product ranges. The company has made arrangements to develop and supply wide range of products to all its customers which includes embroidery items, printed garments and apparels with new ethnic designs and patterns. The manufacturing facilities and product ranges are always upgraded and kept in line with the latest trends and requirements of the market.

### Performance:

There is substantial improvement in the sales as also in profits in comparison to the last year. However there is still wide scope for improvement in the performance of the Retail division as it is not as per the anticipated levels. Similarly the export sales are also on the lower side due to sluggish market and economic conditions all over the world. Hence the profits are not on the higher side which again can also be attributed partly to the incidence of higher finance cost.

(Rs.in Lakhs)

	2014-15	2015-16	Percentage Change
Local Sales	6960.00	8044.09	15.58
Export Sales	29.99	10.15	(66.16)
Other Income	57.18	56.71	(0.82)
<b>Total:</b>	<b>7047.17</b>	<b>8110.95</b>	<b>15.10</b>

The Company has made some major changes in the product development and sales strategies. The company has decided to close down with some exceptions all the Exclusive Business outlets and to concentrate only multiband outlets as well as online sales methods. New business models are now pursued vigorously like sales of apparels under licentiate arrangements by using logos or brands related with some sports events and sports clubs particularly

related to football games as well as selling garments under the brand name of sports personalities. The Company has also leveraged its borrowings in such a way that the incident of finance cost is reduced significantly. Because of all these developments, the company is expecting substantial improvement in the profitability as well as in the sales for the current year 2016-17.

### Earnings per share:

The Company's earning per share for 2015-16 is Rs.0.88 as against Rs.0.59 per share during 2014-15.

### Investments:

The Company continues to hold investment of 2880 Nos. of equity shares of IDBI Bank Ltd., in the Demat form. In addition to this the company has also subscribed to the

Equity share capital of both the subsidiaries amounting to Rs.90 lakhs.(comprising 900000 shares (@ face value of Rs.10/- each).

### Tangible Assets:

All the assets are insured and maintained appropriately. In view of increased retail business activities there are some changes in the current assets and current liability levels and the current ratio position as on 31<sup>st</sup> March 2016 is 1.46.

### Human Resources:

The company recognizes the importance of the human resources and their role in the growth of any organization. The company has formulated certain plan like productivity based incentive scheme, in-house training and orientation program to improve the productivity in the company. The company has also introduced stock option plan for employees at certain levels to have better participation from them in the growth of the organization. The strength includes both direct and indirect laborers, which vary from month to month. The overall employee relations in the company were healthy and cordial.

### Risk and Concerns:

In an era of uneven global recovery, there are many short-term, medium term and long-term risks in terms of geopolitical tensions, volatility in financial markets, stagnation and low potential growth in advanced economies and decline in potential growth in the emerging markets, set an uncertain economic outlook which results in uncertain demands. Further India deals in cotton based textiles. So, high volatility in cotton prices has an adverse impact on complete supply chain. The " Rise of Triangle Manufacturing" where garment manufacturers shift cotton from low cost origin to low cost converter and then ship to processing country to stay competitive, instead of getting it directly from the low cost origin source. Likewise, China has started getting their yarn manufactured from low cost converter countries like Vietnam which will take some % share of India as well and then getting the yarn shipped to China and remains competitive in the global market. So there remains an uncertain demand factor from china is a big challenge. Manufacturing is a labour intensive process, whereas in the inflation ridden economy of India, there is a constant demand for rising wages for workers. So, increasing labour cost is also a major challenge before the industry compared to countries like Vietnam and Bangladesh. Huge requirement of skill development as the labour force has low productivity in comparison to other competing countries. On the power cost front, India has big challenge to overcome as power in India is relatively dearer as compared to origins like Vietnam, Indonesia, Bangladesh and Turkey. India lacks in trade pact memberships, which leads to restricted access to the major markets and make the industry uncompetitive sometimes. For instance, Bangladesh is importing fabric from India, manufacturing garments in Bangladesh and then exporting them to the European Union with no duty, whereas if India export garments to the European Union a 14% duty is applicable. India has a longer history of textiles as compared to any other country, but still our



roots aren't known in the global business. The Agreement of Textiles and Clothing under the World Trade Organization vouches for equal treatment to be meted out to all nations. But Vietnam and Bangladesh are already securing better terms for themselves via free trade agreements with major markets. That underlines the urgency of the reforms the sector needs in India. Since, garment exports don't have large profit margins, investment is low and that is the reason the industry hasn't grown as much in India as compared to many countries. The Indian retail market is still underdeveloped. There are many infrastructure bottlenecks like poor, infrastructure relating to transport, communication, banking, port congestion, custom clearance which also pose a challenge for the industry.

The competition factor emerging from countries like China, Bangladesh, and Vietnam etc. are a major concern for the industry to restrict its growth. Due to poor infrastructure facilities, the production and transaction costs remain high in India. The industry has better scope to flourish if the Port infrastructure in India is highly modernized. Non availability of direct sailing vessels also increases transit time as well as costlier in India compared to other Asian Countries. Further, delays and inefficiencies in Indian Ports compared to other Asian Countries add huge disadvantage to Indian exports. Political risk may be defined as the probability that a political event will impact adversely on a firm's profit. The political risk represents the financial risk associated with the change in the government policies. This risk covers items like restriction on remittances in the buyer's country or any government action which may block or delay payment in rupees to the exporter, War, revolution or civil commotion in the buyer's country. Further there are other risks like operational risk resulting from inadequate or failed internal processes, people and systems, or from external events. The Employee risk relating to the health and safety issues are a constant problem in the garment industry. Purchasing power risk results in the loss of purchasing power due to the effects of inflation. Further there is also Technology risk due to changes in the technology followed in the units. The other type of risk confronted by the industry is Counter party risk where the other party in an agreement defaults and fails to comply with the terms and conditions of the contract. This is very much a possibility in licentiate type of business. There is buyer risk related to insolvency of the buyer. There are other risks like hazard risk, currency risk price risk, Liquidity risk, Settlement Risk and credit risks. The industry is always exposed to uncertainty which gives rise to these types of risks.

The company has an effective risk management system in place and the board designated committee is always analyses these risks through these system. Accordingly the risks are evaluated on a regular basis and measures are taken to ensure that the company is properly safeguarded against these risks. The company has already put in place certain policies and procedures to address some of the risks like financial risks, credit risks, operational risks and hazard risks. The company monitors all these developments which have bearing on the company's goals and adequate steps are taken to ensure that maximum level of safety coverage is provided to the company against these risks.

**Internal Controls & Systems:**

The company has put in place an effective internal control and systems to review all the functions and procedures. There is systematic evaluation of the Internal Controls and Systems to ensure its effectiveness and this enriches the Company's efforts to check any major revenue leakage or wastage of resources. Further these Systems and procedures are also regularly reviewed by Internal Auditors through checking, inspection and verification. The Internal Auditors make a comprehensive Audit plan to identify various risk, wastage, and revenue leakages apart from identifying any non-compliance of statutory or other legal requirements. The Internal Audit process involves identification of the risks perceived

for any particular function. The review and evaluation of the effectiveness of the existing controls are made to ensure adherence to policies, systems, with recommendations for improvement. Apart from this the company has formulated internal financial control that includes a risk based framework to ensure orderly and efficient conduct of its business, safeguarding assets and accuracy and completeness of the accounting records, and assurance on reliable financial information. The Audit Committee also reviews the recommendation and suggestions placed before them and necessary actions are initiated as per the Audit Action Plan.

**Outlook:**

The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as anticipated strong export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. The organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period. The proposed hike in FDI limit in multi-brand retail will bring in more players, thereby providing more options to consumers • It will also bring in greater investments along the entire value chain - from agricultural production to final manufactured goods. Further government booster shot in the form of additional package for textile growth will further strengthen the case for capital investment. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly giving more opportunities to the local manufactures.

The company looks ahead with great optimism as the trends indicate a strong surge in the growth for demand in the textile sector particularly through retail sales. There is also very healthy competition in the development of new products with new designs and patterns. This augurs well for the company as the company has the necessary infrastructure and facility to cope with the new requirements in the domestic market. Hence the company is anticipating substantial increase in the growth rate of retail garment business in the next few years. This will eventually help the company and its subsidiaries to increase the profit margins of their Retail business. The growth in the garment and exports business in the country will have a favorable impact on the processing unit of the company in terms increase in the profitability due to better sales value realization.

**Cautionary Statement:**

All the statements and observations stated in the Management Discussion and Analysis & other reports, describing the Company's objectives, projections, data information and estimates may be "forward looking" statements within the meaning of applicable securities, laws, and regulations. Therefore the actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and International markets, changes in the Government regulations, tax laws, statutes, and other incidental national and international factors.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 08.08.2016

**PAWAN AGARWAL**  
CHAIRMAN & MANAGING DIRECTOR

## Twenty-Fifth Annual Report 2015 - 2016

### Shareholders' Information

#### Registered Office:

A-2, Shah, & Nahar Indl. Estate,  
Unit No.23/26, Lower Parel,  
Mumbai – 400 013.

#### Factory & Admn. Office:

Unit No1:  
C-253/254, MIDC, TTC Indl. Area,  
Pawne Village, Turbhe,  
Navi Mumbai - 400 705.

#### Knitting and Garment Division:

Unit No.2:  
C3-B, MIDC, TTC Indl. Area,  
Pawne Village, Turbhe,  
Navi Mumbai - 400 705.

#### Annual General Meeting:

25<sup>th</sup> A.G.M.

#### Date and Time:

30<sup>th</sup> September, 2016 – 3.30 p.m.

#### Venue:

Walchand Hirachand Hall, 4th.Floor,  
Lalji Naranji Memorial Indian Merchants',  
Chamber Building Trust (IMC Bldg.),  
Churchgate, Mumbai – 400 020.

#### Financial Calendar (Tentative):

- First Quarter : Second week of August
- Second Quarter/Half year : Second week of November
- Third Quarter : Second week of February
- Fourth Quarter/Annual : First week of May  
(In case of un-audited results)  
End of May  
(Audited Results)

#### Date of Book closure:

23.09.2016 to 30.09.2016 (both days inclusive)

#### Dividend payment:

Rs.0.70 per Equity share of Rs.10 each held by the public other than promoters and the promoter group/PAC.

#### Listing on Stock Exchanges:

Company's (SIL) equity shares are listed on The Bombay Stock Exchange Ltd. (BSE).

#### Listing fees:

The Annual Listing fee for the financial year 2015-16 has been paid to The Bombay Stock Exchange Ltd.

#### Delisting:

Delisted from Ahmadabad Stock Exchange and applied for delisting of shares from Delhi (already closed) & Calcutta Stock Exchanges.

#### Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of 15 days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects. Similarly Dematerialisation requests are also processed within 21 days from the date of the receipt to give credit if the shares through the depositories. In compliance with the Listing Agreement with the Stock Exchange and the Listing regulations, every six months, a practicing Company secretary audits the system of Transfers and a certificate to that effect is issued. The

Stakeholders Relationship committee is entrusted with the task and the details of the committee are stated separately in the report.

#### Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain nomination form, from the Registrar & Transfer Agency of the Company or download the same from their website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

#### Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders / legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

#### Payment of dividend through National Electronic Clearing Service (NECS)

The Company provides the facility for remittance of dividend to the Members through NECS. To facilitate dividend payment through NECS, Members who hold shares in Demat mode should inform their Depository Participant and such of the Members holding shares in physical form should inform the Company of the core banking account number allotted to them by their bankers. In cases where the core banking account number is not intimated to the Company / Depository Participant, the Company will issue dividend warrants to the Members.

#### Dematerialization:

The Company's Shares are dematerialized in National Securities Depository Ltd. & Central Depository Services (India) Ltd. The Company's ISIN No. is INE691D01012. The Company is taking all steps to dematerialize the entire Share capital and the members are advised to dematerialize their holdings immediately. **There are no details to be furnished in respect of Demat suspense account/ unclaimed suspense account.**

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2016, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	1504260	9.021%
Demat Segment		
NSDL	14047344	84.245%
CDSL	1122699	6.733%
Total	16674303	100.000%

#### Reconciliation of Share Capital Audit:

As required by the Securities & Exchange Board of India (SEBI) quarterly audit of the Company's share capital is being carried out by an independent external auditor with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and held in physical form, with the issued and listed capital. The Auditors' Certificate in regard to the same is submitted to BSE Limited and is also placed before Stakeholders' Relationship Committee and the Board of Directors.

#### Complaints:

The Company has received a letter from its R&T Agent M/s. Sharex Dynamic (I) Pvt. Ltd. indicating that there are no complaints pending against the Company.

#### Unclaimed Dividend:

Unclaimed dividend (not due for transfer to IEPF) as on 31<sup>st</sup> March, 2016 is Rs.1648369. However there is no unclaimed Dividend account due and pending for transfer to IEPF.



**Market Price Data:**

Source (Website – bseindia.com)

The Stock Exchange, Mumbai.			
	21.00	25.20	11,742
April, 2015	19.10	23.20	19,445
May, 2015	17.60	27.15	72,113
June, 2015	17.75	27.00	42,235
August, 2015	20.40	34.45	2,66,332
September, 2015	18.10	24.15	20,801
October, 2015	18.80	23.40	21,792
November, 2015	20.80	25.85	13,060
December, 2015	23.40	28.25	77,327
January, 2016	22.40	30.90	32,063
February, 2016	20.50	27.45	26,297
March, 2016	19.10	25.85	12,651

**Stock Code:**

Bombay Stock Exchange Ltd. (521113)

**The ISIN Number is:**

INE691D01012 (NSDL & CDSL)

**Share Transfer Agent:**

M/s. Sharex Dynamic (India) Pvt. Ltd.  
Unit-1, Luthra Ind. Premises, Safed Pool,  
Andheri Kurla Road, Andheri (East),  
Mumbai – 400 072.

**Stock Price Suditi v/s BSE Sensex:**

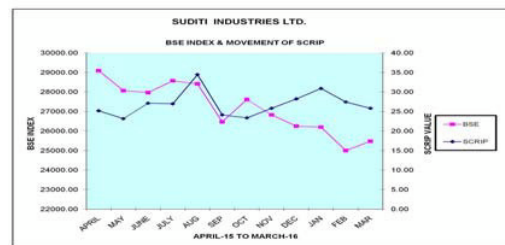
(Source-R&T Agents)

**E-Voting Facility to members:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). In compliance with the requirements, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

Meetings for approval of quarterly and annual financial results were held on the following dates:

Quarter	Date of Board Meeting
1 <sup>st</sup> Quarter	13/08/2015
2 <sup>nd</sup> Quarter	09/11/2015
3 <sup>rd</sup> Quarter	11/02/2016
4 <sup>th</sup> Quarter	30/05/2016



**Distribution of shareholding as on 31<sup>st</sup> March, 2016:**

Category	No. of Cases	% of cases	Amount	% of Amount
Upto 5000	10062	94.98	13097450	7.85
5001 - 10000	259	2.44	2113370	1.27
10001 - 20000	98	0.93	1624190	0.97
20001 - 30000	72	0.68	1797580	1.08
30001 - 40000	21	0.20	745140	0.45
40001 - 50000	15	0.14	714300	0.43
50001 - 100000	27	0.25	2199040	1.32
100001 and above	40	0.38	144451960	86.63
<b>Total:</b>	<b>10594</b>	<b>100.00</b>	<b>166743030</b>	<b>100.00</b>
Physical Mode	8067	76.15	15042600	9.021
Electronic Mode	2527	23.85	151700430	89.71
<b>Total:</b>	<b>10594</b>	<b>100.00</b>	<b>166743030</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2016:**

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	—	—	—
Foreign Promoters	—	—	—
Non-Resident Indians	490	156649	0.940
Nationalized Banks	6	1200	0.007
Other Bodies Corporate	93	195873	1.175
Directors	1	12090700	72.511
Company Promoters	10	390800	2.344
Individuals / Others	9992	3838106	23.018
Overseas Corporate Bodies / Foreign National	1	600	0.004
Clearing Members	1	375	0.002
<b>Grand Total:</b>	<b>10594</b>	<b>16674303</b>	<b>100.00</b>

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

**Plant Location:**

- C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.
- C-3B, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.

**Address for Correspondence:**

All correspondences shall be addressed to the Company's Share Transfer Agents at the address given above. In case of any difficulty, shareholders may contact Compliance Officer/Company Secretary Mr. H. Gopalkrishnan or alternatively Mr. Deepak Naik (Authorised Person) (Tel: 67368600/10, 67368615/20) at the Company's Secretarial Dept. at C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai - 400 705.



## Twenty-Fifth Annual Report 2015 - 2016

### Annexure II

#### DISCLOSURE UNDER THE COMPANIES APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONEL) RULES, 2014.

- a) The ratio of remuneration of each director to the median remuneration of the employees; 11.93:1.
- b) % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees

% increase in remuneration of CMD 16% (remuneration revised w.e.f. Feb, 2015)

% increase in remuneration of KMP 5%

% increase in remuneration of median 43%

(Higher incidence of increase is due to the change in the number of employees because of closer of Retail outlets and shifting of the certain grades of Retail employees from the permanent category).

- c) Number of permanent employees on the rolls of the company as on 31st March, 2016 is 179 (including CMD).
- d) Justification of increase in managerial remuneration with that of increase in remuneration of other employees: CMD remuneration is revised by the Board generally only on the basis of the performance level of the Company, whereas employees salary is revised every year. The last revision of CMD's remuneration was made in the year February 2015. Therefore there is no increase made during the year 2015-16 as decided by the Nomination & Remuneration Committee and the Board. The increase in the CMD's salary is due to the impact of the revision made in February 2015 as the increased remuneration was paid for the entire year in 2015-16 whereas in the year 2014-15 it was only for the part of the year.
- e) Affirmation that remuneration is as per remuneration policy of the Company.

I Shri Pawan Agarwal, Chairman and Managing Director of the company hereby affirm that all the employees including key managerial personal are paid remuneration as per the remuneration policy formulated by the company and approved by the Board. No employee is treated unfairly or denied any benefits as may be applicable and payable to him as per the company's payment of remuneration policy.

#### SUDITI INDUSTRIES LIMITED

Place: Mumbai  
Date: 08.08.2016

**PAWAN AGARWAL**  
CMD & CEO/CFO

#### Annexure II (b)

Sr. No.	Name	Designation	Remuneration	Nature of Employment	Qualification	Exp (Approx)	Date of Commencement	Age	Last Employment	Whether relative of any Director/ Manager of the Company	No. of shares held
1	Shri Pawan Agarwal	Chairman & Managing Director	2100000	Contractual	B.Com	30 years	Promoter Director	19.12.1965	Promoter and family business	Promoter Director	12090700
<b>Top Ten Employees: (None of the Employees hold shares more than 2% of the Capital of the Company)</b>											
1	Mr. Animesh Maheshwar	V. P. - Retail	2285885	Non- Contractual	Post Graduation Diploma in Retail Management	11 years	16.11.2009	07.09.1983	Gini & Jony Ltd.	No	1000
2	Mr. H.Gopalkrishnan	V. P. Finance & Co. Secretary	1417717	Non- Contractual	AICWA, ACS	30 years	28.07.2004	08.07.1957	Aarey Drugs & Pharmaceuticals Ltd.	No	500
3	Mr. Manoj Khemka	V.P. Commercial & Accounts	1298823	Non- Contractual	FCA	15 Years	22.11.2010	05.12.1978	The Loot (India) Pvt. Ltd.	No	693
4	Mr. R.Chinraj	President	1211992	Non- Contractual	B.Tech	40 Years	01.08.2003	25.03.1950	Kasha Synthetics Pvt. Ltd.	No	107700
5	Mr. Deepak Naik	V. P. Factory	1144315	Non- Contractual	INT. COM, DBM/MKTG	40 Years	01.12.1992	14.09.1955	Velo Industries	No	5000
6	Ms. Gloria Vitai	Sr. Merchandiser	982657	Non- Contractual	BA	25 Years	12.11.2007	24.12.1987	Textrade International Pvt. Ltd.	No	0
7	Mr. Pratull C. Jena	Production Manager- Garment	841110	Non- Contractual	BA, Diploma in DTCD & DGFT	15 Years	01.07.2011	20.05.1975	Wearology Ltd.	No	0
8	Mr. Basheer Kadeyan	Dyeing Manager	811932	Non- Contractual	Diploma in Textile technology	25 Years	01.08.2004	15.04.1972	Zucchini industries U.A.E.	No	0
9	Mr. Abhay Ram Bhutra	Accounts Manager	806569	Non- Contractual	C.A	3 years	01.10.2012	21.06.1989	First Employment	No	0
10	Mr. Rustam Ali Shaikh	I.T. Manager - Retail	700712	Non- Contractual	MA	16 Years	18.01.2010	01.01.1976	White Cube Pvt. Ltd.	No	0



**Annexure III**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended 31.03.2016**  
**Pursuant to Section 92(3) of the Companies act, 2013 read with**  
**[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9**

**A REGISTRATION AND OTHER DETAILS:**

<b>CIN</b>	:	L19101MH1991PLC063245
<b>Registration Date</b>	:	12/09/1991
<b>Name of the Company</b>	:	<b>Suditi Industries Ltd</b>
<b>Category / Sub-Category of the Company</b>	:	Public Company limited by Shares
<b>Address of the Registered office and contact details</b>	:	A-2, Shah & Nahar Estate, Unit No.23/26, Lower Parel, Mumbai – 400 013. Tel: 67368600
<b>Whether listed company</b>	:	Yes - Listed
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, 1st Floor, 44-E, M Vasanti Marg, Andheri-Kurla Rd., Safed Pool, Andheri (E), Mumbai 400 072. Tel: 28528087

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Manufacturing of Clothing accessories, textile garments	18101	49%
b.	Manufacturing of Knitted cotton textile products, crocheted cotton textile products	17301	51%
c.	Manufacturing of knitted synthetic textile products, crocheted synthetic textile products	17303	Insignificant
d.			

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held
a	Suditi Sports Apparel Ltd	U18109MH2015PLC262790	Subsidiary	98.85%
b	Suditi Design Studio Ltd	U18204MH2015PLC262897	Subsidiary	80.00%

**D. SHARE HOLDING PATTERN**

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a). individual	12481300	0	12481300	74.854	12481300	0	12481300	74.854	0
(b). Central Govt.									
(c). State Govt(s).	0	0	0		0	0	0		0
(d). Bodies Corpp.	200	0	200	0.001	200	0	200	0.001	0
(e). FIINS / BANKS.	0	0	0		0	0	0		0
(f). Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>12481500</b>	<b>0</b>	<b>12481500</b>	<b>74.855</b>	<b>12481500</b>	<b>0</b>	<b>12481500</b>	<b>74.855</b>	<b>0</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual									
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12481500</b>	<b>0</b>	<b>12481500</b>	<b>74.855</b>	<b>12481500</b>	<b>0</b>	<b>12481500</b>	<b>74.855</b>	<b>0.00</b>

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<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	0	0		0	0	0		0
(b). Banks / FI	700	500	1200	0.007	700	500	1200	0.007	0
(c). Central Govt.									
(d). State Govt.	0	0	0		0	0	0		0
(e). Venture Capital Funds	0	0	0		0	0	0		0
(f). Insurance Companies	0	0	0		0	0	0		0
(g). FIs	0	0	0		0	0	0		0
(h). Foreign Venture Capital Funds	0	0	0		0	0	0		0
(i). Others (specify)	0	0	0		0	0	0		0
<b>Sub-total (B)(1):-</b>	<b>700</b>	<b>500</b>	<b>1200</b>	<b>0.007</b>	<b>700</b>	<b>500</b>	<b>1200</b>	<b>0.007</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	93668	104000	197668	1.185	91973	103900	195873	1.175	-0.01
(ii). Overseas									
<b>(b). Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	728194	1131960	1860154	11.156	872567	1105460	1978027	11.863	0.707
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1772427	154900	1927327	11.559	1705179	154900	1860079	11.155	-0.404
<b>(c). Other (specify)</b>									
Non Resident Indians	19246	141000	160246	0.961	17749	139500	157249	0.943	-0.018
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals	0				0		0		
Clearing Members	46208	0	46208	0.277	375	0	375	0.002	-0.275
Trusts		0				0			0
Foreign Boddies - D R		0				0			0
<b>Sub-total (B)(2):-</b>	<b>2659743</b>	<b>1531860</b>	<b>4191603</b>	<b>25.138</b>	<b>2687843</b>	<b>1503760</b>	<b>4191603</b>	<b>25.138</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2660443</b>	<b>1532360</b>	<b>4192803</b>	<b>25.145</b>	<b>2688543</b>	<b>1504260</b>	<b>4192803</b>	<b>25.145</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>15141943</b>	<b>1532360</b>	<b>16674303</b>	<b>100.00</b>	<b>15170043</b>	<b>1504260</b>	<b>16674303</b>	<b>100.00</b>	<b>0</b>



(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during theyear
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	BLACK GOLD LEASING PRIVATE LIMITED	100	0.001		100	0.001		
2	R PIYARELALL PVT LTD	100	0.001		100	0.001		
3	PAWAN KISHORILAL AGARWAL	12090700	72.511		12090700	72.511		
4	RAJENDRA KISHORILALL AGARWAL	51000	0.306		51000	0.306		
5	ARCHANA AGARWAL	50000	0.3		50000	0.3		
6	SHALINI PAWAN AGARWAL	209600	1.257		209600	1.257		
7	MEENA GUPTA	10000	0.06		10000	0.06		
8	SHILPA AMIT AGRAWAL	2500	0.015		2500	0.015		
9	HARSH PAWAN AGARWAL	22500	0.135		22500	0.135		
10	TANAY PAWAN AGARWAL	22500	0.135		22500	0.135		
11	TANUJ PAWAN AGARWAL	22500	0.135		22500	0.135		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Shareholding at the beginning of the year 31/03/2016			% of total Shares of the company
		No. of Shares at the beginning (01-04-2015)/ end of the year (31-03-2016)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	N.A.							

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

Sr. no.	Shareholder's Name	No. of Shares at the beginning (01-04-2015)/ end of the year (31-03-2016)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	HARI PARMANDDAS MUND	136900	0.821	01-04-2015				
				07-08-2015	-9056	Transfer	127844	0.767
				04-09-2015	5000	Transfer	132844	0.797
	-Closing Balance			31-03-2016			132844	0.797
2	MAHESH GOENKA	150500	0.903	01-04-2015				
	-Closing Balance			31-03-2016			150500	0.903
3	TEJASH PATEL	82891	0.497	01-04-2015				
	-Closing Balance			31-03-2016			82891	0.497
4	MAGANLAL ARJAN GALA	145047	0.87	01-04-2015				
				27-11-2015	306	Transfer	145353	0.872
				11-12-2015	1000	Transfer	146353	0.878
	-Closing Balance			31-03-2016			146353	0.878

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5	RAJAGOPAL RAJA CHIN	105200	0.631	01-04-2015				
	-Closing Balance			31-03-2016			105200	0.631
6	MAHESH GOENKA (HUF)	116950	0.701	01-04-2015				
				10-04-2015	26700	Transfer	143650	0.862
				04-03-2016	2100	Transfer	145750	0.874
	-Closing Balance			31-03-2016			145750	0.874
7	LEELA MAGANLAL GALA	95516	0.573	01-04-2015				
				27-11-2015	400	Transfer	95916	0.575
				11-12-2015	1000	Transfer	96916	0.581
	-Closing Balance			31-03-2016			96916	0.581
8	GAURAV MAGANLAL	215400	1.292	01-04-2015				
				06-11-2015	1200	Transfer	216600	1.299
				13-11-2015	1617	Transfer	218217	1.309
				20-11-2015	650	Transfer	218867	1.313
				27-11-2015	1100	Transfer	219967	1.319
				11-12-2015	2528	Transfer	222495	1.334
				18-12-2015	916	Transfer	223411	1.34
				25-12-2015	395	Transfer	223806	1.342
				31-12-2015	400	Transfer	224206	1.345
				05-02-2016	301	Transfer	224507	1.346
				12-02-2016	1306	Transfer	225813	1.354
				26-02-2016	1270	Transfer	227083	1.362
				04-03-2016	1000	Transfer	228083	1.368
	-Closing Balance			31-03-2016			228083	1.368
9	RAJKUMAR SARAF	102715	0.616	01-04-2015				
	-Closing Balance			31-03-2016			102715	0.616
10	SHRADDHA DEVI SARAF	130798	0.784	01-04-2015				
	-Closing Balance			31-03-2016			130798	0.784

(v) Shareholding of Directors and Key Managerial Personnel:

sr. no	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	PAWAN KISHORILAL AGARWAL	12090700	72.511		
	VIVEK GANGWAL	-	-		
	SUSHILKUMAR SINGH KASLIWAL	-	-		
	SANJULA SANGHAI	-	-		
	H. GOPALKRISHNAN (COMPANY SECRETARY)	500	0.003		
	At the End of the year				
	PAWAN KISHORILAL AGARWAL			12090700	72.511
	VIVEK GANGWAL			-	-
	SUSHILKUMAR SINGH KASLIWAL			-	-
	SANJULA SANGHAI			-	-
	H. GOPALKRISHNAN (COMPANY SECRETARY)			500	0.003



**V. INDEBTEDNESS**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	177612674	0	0	177612674
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>177612674</b>	<b>0</b>	<b>0</b>	<b>177612674</b>
Change in Indebtedness during the financial year				
• Addition	46610882	0	0	46610882
• Reduction				
<b>Net Change</b>				
Indebtedness at the end of the financial year				
i) Principal Amount	224223556	0	0	224223556
ii) Interest due but not paid				
iii) Interest accrued but not				
<b>Total (i+ii+iii)</b>	<b>224223556</b>	<b>0</b>	<b>0</b>	<b>224223556</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl.no.	Particulars of Remuneration	Name of MD/WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,00,000	2100000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	- - -	- - -
5	Others, please specify	21,600	21600
	<b>Total (A)</b>	<b>21,21,600</b>	<b>21,21,600</b>
	Ceiling as per the Act	Within the Limit	

**B. Remuneration to other directors:**

Sl.no.	Particulars of Remuneration	Name of Managing Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	VIVEK GANGWAL	10000
		SUSHILKUMAR SINGH KASLIWAL	2500
	• Commission		
	• Others, please specify		
	<b>Total (1)</b>		<b>12500</b>
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	SANJULA SANGHAI	10000
	• Commission		
	• Others, please specify		
	<b>Total (2)</b>		<b>10000</b>
	<b>Total (B)=(1+2)</b>		<b>22500</b>
	<b>Total Managerial Remuneration</b>		
	Overall Ceiling as per the Act	Within the limit	

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### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Particulars of Remuneration	Key Managerial Personnel			
	CEO	Company Secretary	CFO	Total
1 Gross salary				
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1418157	-	1418157
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2 Stock Option	-	-	-	-
3 Sweat Equity	-	-	-	-
4 Commission				
- as % of profit	-	-	-	-
- others, specify...	-	-	-	-
Others, please specify	-	-	-	-
Total	-	1418157	-	1418157

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

#### Annexure – IV FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/ transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Intime Knits Pvt. Ltd.
b)	Nature of contracts/ arrangements/transaction	Sale of products & Purchase of fabrics
c)	Duration of the contracts/ arrangements/transaction	2015-16 to 2019-20. Arrangement is for 5 years and the details are for the year 2015-16.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods & purchase as per the prevailing market rates.
e)	Date of approval by the Board	29.05.2015 for a period of 5 years & also approved by shareholders by special resolution in the 24 <sup>th</sup> Annual General Meeting held on 29.09.2015. Further the Board has again noted & approved in principle the transactions pertaining to 2015-16 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

**SUDITI INDUSTRIES LTD**



SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Black Gold Leasing Pvt Ltd</b>
b)	Nature of contracts/ arrangements/transaction	Service agreement executed with the company for office & estate management.
c)	Duration of the contracts/ arrangements/transaction	2015-16 to 2019-20. Arrangement is for 5 years and the details are for the year 2015-16.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Monthly payment of rent and other charges till the agreement period.
e)	Date of approval by the Board	29.05.2015 for a period of 5 years. Also approved by shareholders by special resolution in the 24 <sup>th</sup> Annual General Meeting held on 29.09.2015. Further the Board has again noted & approved in principle the transactions pertaining to 2015-16 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>B.L.R. Knits Pvt. Ltd.</b>
b)	Nature of contracts/ arrangements/transaction	Sales & receipt of Job work service
c)	Duration of the contracts/ arrangements/transaction	2015-16 to 2019-20. Arrangement is for 5 years and the details are for the year 2015-16.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods as per the prevailing market rates.
e)	Date of approval by the Board	29.05.2015 for a period of 5 years & also approved by shareholders by special resolution in the 24 <sup>th</sup> Annual General Meeting held on 29.09.2015. Further the Board has again noted & approved in principle the transactions pertaining to 2015-16 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>R.Piyarellal Pvt. Ltd.</b>
b)	Nature of contracts/ arrangements/transaction	Sales & receipt of Job work service.
c)	Duration of the contracts/ arrangements/transaction	2015-16 to 2019-20. Arrangement is for 5 years and the details are for the year 2015-16.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods & job work service as per the prevailing market rates.
e)	Date of approval by the Board	29.05.2015 for a period of 5 years & also approved by shareholders by special resolution in the 24 <sup>th</sup> Annual General Meeting held on 29.09.2015. Further the Board has again noted & approved in principle the transactions pertaining to 2015-16 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Suditi Design Studio Limited</b>
b)	Nature of contracts/ arrangements/transaction	Sales & receipt of Job work service
c)	Duration of the contracts/ arrangements/transaction	2015-16 to 2019-20. Arrangement is for 5 years and the details are for the year 2015-16.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of goods as per the prevailing market rates.
e)	Date of approval by the Board	29.05.2015 for a period of 5 years & also approved by shareholders by special resolution in the 24 <sup>th</sup> Annual General Meeting held on 29.09.2015. Further the Board has again noted & approved in principle the transactions pertaining to 2015-16 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil



## Twenty-Fifth Annual Report 2015 - 2016

**FORM NO. MR-3**

### **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016

*[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,

**Suditi Industries Limited**

Shah & Nahar Industrial Estate,

A-2 unit No 23/24,

Dhanraj Mills Compound,

Lower Parel, Mumbai- 400013.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Suditi Industries Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 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 (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 w.e.f. 24.08.2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the company during the period under review)

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; / Securities and exchange board of India (Share based employee benefits) Regulations, 2014 notified on 28.10.2014. (Not applicable to the company during the period under review)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the period under review)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review).

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the period under review).

(vi) The company has informed that there are no other laws which are specifically applicable to the company.

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India w.e.f. 01.07.2015;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Listing Obligations and Disclosure Requirements Regulations 2015 w.e.f. 01.12.2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above with some minor delay in the execution & submission of listing agreement under LODR regulations with BSE. Further we report that "*The Company has not complied with the provision of section 203(1) of the Companies Act, 2013 w.r.t non-appointment of chief financial officer.*"

#### **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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice 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



before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

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 actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**SHIV HARI JALAN  
COMPANY SECRETARY**

**Place: Mumbai  
Date: 08.08.2016**

**FCS No: 5703  
C.P.NO: 4226**

This report is to be read with my letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

To, **'Annexure A'**

The Members,

**Suditi Industries Limited**  
Shah & Nahar Industrial Estate  
A-2 unit No 23/24,  
Dhanraj Mills Compound,  
Lower Parel, Mumbai- 400013.

My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I 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. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of provision of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**SHIV HARI JALAN  
COMPANY SECRETARY**

**Place: Mumbai  
Date: 08.08.2016**

**FCS No: 5703  
C.P.NO: 4226**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of

**SUDITI INDUSTRIES LIMITED**

1. We have examined the compliance of regulations of Corporate Governance by **SUDITI INDUSTRIES** ("the Company") , for the year ended March 31, 2016 as stipulated in:
  - o Clause 49 (excluding clause 49(VII) (E) of the Listing Agreements of the Company with Stock Exchange(s) for the period from April 01, 2015 to November 30, 2015.
  - o Clause 49(VII) (E) of the Listing Agreements of the Company with the Stock Exchange(s) for the period from April 01, 2015 to September, 01, 2015.
  - o Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31,2016 and
  - o Regulations 17 to 27 (excluding regulations 23(4) and clauses (b) to (i) of regulation 46 (2) and para C,D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and Para C,D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chaturvedi & Co.**  
*Chartered Accountants*  
(Firm Registration No.: 302137E)

**(S.N. Chaturvedi)**  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date: 8<sup>th</sup> August, 2016

## Twenty-Fifth Annual Report 2015 - 2016

### INDEPENDENT AUDITOR'S REPORT

To The Members of

#### SUDITI INDUSTRIES LIMITED

##### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SUDITI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

##### Management's Responsibility 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, the financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

##### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

##### Opinion

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 31<sup>st</sup> March, 2016, the "profit" and cash flows for the year ended on that date.

##### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks of the books of accounts and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A hereto, a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B
  - (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:
    - i. The Company's pending litigation comprise of proceedings pending with Sales Tax Authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (refer Note No:46 for details on contingent liabilities)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.: 302137E)

(**S.N. Chaturvedi**)  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date : May 30, 2016



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of **Suditi Industries Limited** ("the Company") for the year ended March 31, 2016, we report that:

- 1) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for assets under installation.
- b. All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information & explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the Company.
- 2) As explained to us, the inventories of the company have been physically verified during the year by the management and no material discrepancies were noticed on such verification as compared to book records. In our opinion, the frequency of verification is reasonable.
- 3) According to the information & explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the foregoing, the provisions of clause 3 (iii) (a), (b) and (c) of the said order are not applicable.
- 4) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments and has not provided any loans, guarantees, and security as per the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) During the year, the Company has not accepted any deposits from the Public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under as also the directives issued by the Reserve Bank of India. The Company has complied with the applicable statutory provisions. The Company has not received any order passing by 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 account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- 7) a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. However, during the year there have been occasional delays in depositing Provident Fund, Service Tax & Sales Tax but there were no dues outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at 31<sup>st</sup>

March 2016, the following are the particulars of dues that have not been deposited on account of dispute:

Name of the Statute	Name of dues	Amount (Rs. in lacs)	Forum where dispute is pending
Sales Tax	Demand raised as per assessment order for—1996-97, 1997-98	65.18	Asstt. Commissioner of Sales Tax, (Appeals), Mumbai STAT (Appeals)
	& revised order for 1998-99	14.88	
		80.23	

- 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 defaulted in repayment of loans or borrowings to financial institution, bank or Government. The Company did not have any debentures outstanding during the year.
- 9) According to the information and explanations given to us and based on the records and documents produced before us, in our opinion, the terms loans have been applied for the purposes for which they were obtained. During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- 10) During the course of our examination of the books of accounts and records of the Company, carried out by us in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the Company 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 in view of the foregoing, the question of reporting on Clause 3 (xii) of the said order does not arise.
- 13) According to the information & explanations given to us, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements, as required by the applicable accounting standards. Refer note no. 43 in standalone financial statements for details.
- 14) According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) As per the information & explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) As per the information & explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.: 302137E)

(**S.N. Chaturvedi**)  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date: May 30, 2016

## Twenty-Fifth Annual Report 2015 - 2016

### ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT

#### 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 **Suditi Industries Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone 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 March 31, 2016, 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 **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.: 302137E)

(**S.N. Chaturvedi**)  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date: May 30, 2016



**SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS  
BALANCE SHEET AS AT 31ST MARCH, 2016**

	Note	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
<b>I. Equity and Liabilities</b>					
1. Shareholders' Funds					
(a) Share Capital	3.	166,743,030		166,743,030	
(b) Reserves and Surplus	4.	101,249,134		90,123,384	
			267,992,164		256,866,414
2. Non-Current Liabilities					
(a) Long-term Borrowings	5.	43,351,553		3,234,267	
(b) Other Long-term Liabilities	6.	923,700		1,907,760	
			44,275,253		5,142,027
3. Current Liabilities					
(a) Short-term Borrowings	7.	180,872,003		174,378,407	
(b) Trade Payables	8.	93,324,646		86,449,367	
(c) Other Current Liabilities	9.	18,043,056		17,581,228	
(d) Short-term Provisions	10.	13,521,773		11,406,968	
			305,761,478		289,815,971
Total			618,028,895		551,824,412
<b>II. Assets</b>					
1. Non-Current Assets					
(a) Fixed Assets	11.				
(i) Tangible Assets		115,506,674		117,913,924	
(ii) Intangible Assets		1,331,208		1,060,491	
(iii) Capital Work-in-Progress		0		0	
(iv) Intangible Assets Under Development		2,078,378		2,078,378	
		118,916,260		121,052,793	
(b) Non Current Investments	12.	9,000,000		459,400	
(c) Deferred Tax Assets (Net)	13.	1,253,443		17,080,086	
(d) Long-term Loans and Advances	14.	41,744,430		40,818,885	
(e) Other Non Current assets	15.	382,778		765,557	
			171,296,911		180,176,721
2. Current Assets					
(a) Current Investments	16.	234,000		234,000	
(b) Inventories	17.	217,664,005		212,358,556	
(c) Trade Receivables	18.	185,433,195		109,454,189	
(d) Cash and Bank Balances	19.	2,975,263		3,284,631	
(e) Short-term Loans and Advances	20.	29,319,293		31,960,121	
(f) Other Current Assets	21.	11,106,228		14,356,195	
			446,731,984		371,647,691
Total			618,028,895		551,824,412

Significant Accounting Policies & Notes on financial Statements

1 to 48

The Notes are an integral part of the Financial Statements.  
In terms of our report of even date

For and on behalf of the Board

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**Pawan Agarwal**  
Chairman & Managing Director

**Sushil Kumar Kasliwal**  
Director

**Vivek Gangwal**  
Director

**Manoj Khemka**  
V.P.Accounts & Commercial

(S.N.Chaturvedi)  
Partner  
(Membership No.040479)  
Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary  
Mumbai, 30<sup>th</sup> May, 2016

## Twenty-Fifth Annual Report 2015 - 2016

### SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS

#### Statement of Profit and Loss for the year ended 31st March, 2016

	Note	Year ended 31 <sup>st</sup> March, 2016		Year ended 31 <sup>st</sup> March, 2015	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
<b>I. Revenue</b>					
Revenue from Operations (Gross)	22.	805,740,460		698,999,068	
Less: Excise Duty		<u>316,791</u>		<u>-</u>	
Revenue from Operations (Net)			805,423,669		698,999,068
<b>II. Other Income</b>	23.		<u>5,670,799</u>		<u>5,717,755</u>
<b>III. Total Revenue</b>			<b>811,094,468</b>		<b>704,716,822</b>
<b>IV. Expenses</b>					
Cost of Materials Consumed	24.	237,528,546		238,351,190	
Purchases of Stock-in-Trade		<u>39,298,825</u>		<u>31,021,915</u>	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25.	(8,268,447)		(40,372,486)	
Employee Benefits Expense	26.	64,467,855		57,575,934	
Finance Cost	27.	29,855,195		25,023,648	
Depreciation and amortisation expenses		<u>17,390,316</u>		<u>19,426,902</u>	
Other Expenses	28.	<u>404,461,983</u>		<u>361,616,645</u>	
<b>Total Expenses</b>			<b>784,734,274</b>		<b>692,643,747</b>
<b>V. Profit / (Loss) before tax</b>			<b>26,360,194</b>		<b>12,073,076</b>
<b>VI. Tax Expense</b>					
Current Tax (MAT)		10,404,892		2,305,000	
(Less): MAT credit (where applicable)		<u>(3,988,531)</u>		<u>-</u>	
Net current tax expense		6,416,361		2,305,000	
Deferred tax Liabilities/(Assets)		<u>15,826,643</u>	<u>22,243,004</u>	<u>-</u>	<u>2,305,000</u>
<b>VII. Prior period adjustment</b>			<b>(10,550,098)</b>		<b>-</b>
<b>VIII. Profit and Loss After Tax (V-VI)</b>			<b>14,667,288</b>		<b>9,768,076</b>
<b>VIII. Earnings per share (of Rs.10/- each)</b>					
Basic			<b>0.88</b>		<b>0.59</b>
Diluted			<b>0.87</b>		<b>0.58</b>
Number of Shares Used for Computing Earning Per Share					
Basic			<b>16,674,303</b>		<b>16,674,303</b>
Diluted			<b>16,772,053</b>		<b>16,732,378</b>

Significant Accounting Policies & Notes on financial Statements

1 to 48

The Notes are an integral part of the Financial Statements.  
In terms of our report of even date

For and on behalf of the Board

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**Pawan Agarwal**  
Chairman & Managing Director

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(**S.N.Chaturvedi**)  
Partner  
(Membership No.040479)  
Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary  
Mumbai, 30<sup>th</sup> May, 2016



**SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

	Year ended 31st March, 2016		Year ended 31st March, 2015	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
<b>A. Cash flow from operating activities</b>				
Net Profit before Tax		263.60		120.73
Adjustments for -				
Depreciation and Amortisation Expense	173.90		194.27	
Depreciation provision transfer to prior period account	-		3.44	
Amortisation of Rights Issue Expenses	3.83		3.83	
Loss on sale of fixed assets	-		7.04	
Interest Income	(2.15)		(6.85)	
Interest Expense	2.77		8.83	
Fixed Assets Written Off	-		0.07	
Prior period Adjustments	105.50		-	
Dividend Received	(0.02)		(0.01)	
		<u>283.83</u>		<u>210.61</u>
Operating profit before working capital changes		547.43		331.34
Adjustments for -				
Trade and Other Receivables	(700.88)		(38.12)	
Inventories	(53.05)		(416.00)	
Trade and Other Payables	159.46		314.75	
		<u>(594.47)</u>		<u>(139.37)</u>
Cash generated from operations		(47.04)		191.97
Direct Taxes paid (net of refund of taxes)		(64.16)		(23.05)
Net cash from operating activities		(111.20)		168.92
<b>B. Cash flow from investing activities</b>				
Purchase of Fixed Assets	(152.54)		(102.91)	
Sale of Fixed Assets	-		7.50	
Subsidy - Capital	-		10.24	
Movement in Long term loans and advances	(9.26)		32.38	
Dividend Received	0.02		0.01	
Subsidy - Interest	2.15		6.85	
Movement in Non Current Investments	(85.41)		(4.59)	
Net cash used in investing activities		(245.04)		(50.52)
<b>C. Cash flow from financing activities</b>				
Proceeds from issue of Share Capital	-		-	
Proceeds from Long-term Borrowings	492.01		9.12	
Repayment of Long-term Borrowings	(90.84)		(52.30)	
Movement in Other long term liabilities	(9.84)		(37.16)	
Dividend paid	(29.35)		(20.96)	
Tax paid on Dividend	(6.07)		(4.19)	
Interest paid	(2.77)		(8.83)	
Net cash used in financing activities		353.14		(114.32)
Net increase/(decrease) in cash and cash equivalents		(3.10)		4.08
Cash and Cash Equivalents - Opening Balance		32.85		28.77
Cash and Cash Equivalents - Closing Balance		29.75		32.85

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**Pawan Agarwal**  
Chairman & Managing Director

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**S. N. Chaturvedi**  
Partner  
(Membership No.040479)  
Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary

Mumbai, 30<sup>th</sup> May, 2016



## Twenty-Fifth Annual Report 2015 - 2016

### Suditi Industries Limited - Standalone Results

#### Notes forming part of the Financial Statements for the year ended 31st March, 2016

1. Corporate information

Suditi Industries Limited (the 'company') was incorporated on 12th September, 1991 as Suditi Hosiery Processors Limited. The name of the company was subsequently changed to Suditi Industries Limited on 21st October, 1994.

The company is in the business of processing and manufacturing of knitted hosiery fabrics and readymade garments. The company is also in the business of retail sector.

2. Significant Accounting Policies

1. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2. The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Inventories

Inventories are valued at lower of cost and net realisable value. Raw Materials, Stores and spares and Packing Material is determined on cost basis. The cost formula used for determination of cost are on FIFO basis.

Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

4. Cash Flow

The cash flow statement is prepared by the "Indirect Method" set out in Accounting Standard (AS) –3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand and deposits with banks.

5. Depreciation / Amortisation

Tangible Assets

(a) Depreciation on tangible assets is provided on Straight Line Method. Depreciation for assets purchased or sold during the year is charged to the statement of profit & loss on a pro-rata basis . Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

(b) The WDV of assets whose useful life as on 01st April, 2014 have expired has been adjusted against opening reserves as provided in Companies Act, 2013 .

(c) Assets costing individually up to Rs.5000/- are fully depreciated in the year of purchase.

Intangible Assets

These are amortised as under -

Particular	Amortisation
Software	Over a period of 3 years
Brand (RIOT)	Over a period of 3 years

6. Revenue Recognition

(a) Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales is recognised on delivery of products to customers, from the factories and depots of the Company. Revenue from export sales is recognised when the significant risks and rewards of ownership of products are transferred to the customers, which is based upon the terms of the applicable contract.

Revenue from product sales is stated exclusive of returns, sales tax and allowances. The finished goods which include Fabrics and Grey cloth are exempted from excise, however the Branded Apparels & Garments are taxable under excise from 1st March, 2016.

(b) Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment loss. Cost comprises of purchase/acquisition price, taxes (net of CENVAT and MVAT credit availed), borrowing costs and any directly attributable cost for bringing the asset to its working condition for its intended use.



8. **Foreign Currency Transactions**  
Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Foreign currency denominated current assets and current liabilities are translated at the year-end exchange rates. The resulting gain/loss is recognised in the Profit & Loss account.  
Foreign Currency liabilities incurred for the acquisition of fixed assets are translated at exchange rates prevailing on the last working day of the accounting year. The resulting gain/loss is recognised in the Profit & Loss account.
9. **Government Grants**  
Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve. Revenue grants are credited to profit and loss account or deducted from related expenses.
10. **Investments**  
Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost and fair value.
11. **Employee Benefits**
  - (i) **Short-term Employee Benefits**  
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period.
  - (ii) **Long-term Employee Benefits**
    - (a) **Defined Contribution Plans**  
Provident Fund  
A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to P.F. Authorities. The Company makes specified monthly contribution towards Provident Fund. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.
    - (b) **Defined Benefit Plan**  
Gratuity Plan  
The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; such benefit is discounted to determine its present value and the fair value of any plan assets is deducted.  
The present value of the obligation under such defined plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.  
The obligation is measured at the present value of the estimated future cash flows. The appropriate discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.  
Actuarial gains and losses are recognized immediately in the Profit and Loss Account.
  - (iii) Termination benefits are recognised as an expense as and when incurred.
  - (iv) **Other Long-term employment benefits**  
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the long term risk free investments as at the balance sheet date.
  - (v) **Employee Stock Option Scheme:**  
The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Company follows the intrinsic method (being the difference between the quoted market price and exercise price) for computing the compensation cost, for options granted under the scheme. The compensation cost is amortised over the vesting period of the options.
12. **Borrowing Costs**  
Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard (AS) – 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.
13. **Segment Reporting**  
The company is presently engaged in the business of manufacturing and processing of knitted hosiery fabrics and ready made garments. Disclosure relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS) – 17 have been made for a single product and for two geographical segments—local & exports.
14. **Leases**  
Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.
15. **Earning Per Share**  
Basic and diluted earnings per share have been computed by dividing net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding for the period in accordance with AS-20, "Earning Per Share".

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### 16. Taxes on Income

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Deferred tax assets are not recognised on un-absorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternate Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

### 17. Expenditure on Research and Development

Revenue expenditure is recognised as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.

### 18. Impairment

At each balance sheet date, the management reviews the carrying amount of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the same is appropriately dealt with in the books after determining the extent of impairment loss.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

### 19. Provisions, Contingent Liabilities and Contingent Assets

(a) Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. 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.

(b) Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

(c) Contingent assets are neither recognised nor disclosed in the financial statements.

### 20. Custom duty

Custom duty payable on imported Raw materials, components, stores/spares etc is recognised to the extent assessed and charged by the custom department.

### 21 Service tax input credit

Service tax on input service is expensed out since the Company does not have any output liability.

## 3. Share Capital

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.		Amt. in Rs.	
Authorised				
18,000,000 Equity Shares of Rs. 10 each		<u>180,000,000</u>		<u>180,000,000</u>
Issued, Subscribed and Paid-up		<u>166,743,030</u>		<u>166,743,030</u>
1,66,74,303 Equity Shares of Rs. 10 each, fully paid up				
(Previous year 1,66,74,303 Equity Shares of Rs. 10 each, fully paid up)		<u>166,743,030</u>		<u>166,743,030</u>

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of Shares	Amt. in Rs.	No. of Shares	Amt. in Rs.
(a) Reconciliation of Number of Shares				
Number of shares outstanding as at the beginning of the year	<u>16,674,303</u>	<u>166,743,030</u>	16,674,303	166,743,030
Add: Shares issued on Rights Basis	-	-	-	-
Add: Shares allotted under the Employee Stock Option Plan	-	-	-	-
Number of shares outstanding as at the end of the year	<u>16,674,303</u>	<u>166,743,030</u>	<u>16,674,303</u>	<u>166,743,030</u>

(b) The company has only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. 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. The distribution will be in proportion to the number of equity shares held by share holders.

# SUDITI INDUSTRIES LTD



(c) List of shareholders holding more than 5% shares as at the Balance Sheet date

Name of the Shareholder	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	No. of shares	% of holding	No. of shares	% of holding
Pawan Kishorilal Agarwal	12,090,700	72.511	12,090,700	72.511

(d) Shares reserved for issue under options

960000 shares were issued under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. Till date, the Company has granted options to 48 employees aggregating to 278700 options. Out of this, 18 employees accepted the grant aggregating to 219500 options. Thirty employees did not accept 59200 options granted to them. The unaccepted options are ploughed back in the pool for further allocation. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. However, options so vested has not been exercised by the employees.

(e) Rights Issue

Consequent to the Issue of Equity Shares on Right Basis to the existing shareholders in the year 2012-13, the Share Capital of the Company increased from Rs.852.00 lakhs to Rs.1667.45 lakhs. Out of the net Rights Issue proceeds an aggregate sum of Rs. 815.45 lakhs(Previous year Rs.718.98) has been utilised towards the objectives stated in the Rights Issue document upto 31st March, 2016. With this the Company has utilised the entire net Rights Issue proceeds.

(f) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2016)

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2016)

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
4. Reserves and Surplus				
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year			83,226,580	
Add: Profit for the year	90,123,384		9,768,076	
	<u>104,790,673</u>		<u>92,994,655</u>	
Less: Appropriations				
Transitional impact on Depreciation on account of change from Companies Act, 1956 to Companies Act, 2013		-	355,669	
Proposed Dividend	2,934,963		2,096,402	
Tax on Proposed Dividend	606,576		419,200	
	<u>101,249,134</u>		<u>90,123,384</u>	
		<u>101,249,134</u>		<u>90,123,384</u>
Balance as at the end of the year				
5. Long-term Borrowings				
Secured				
Term Loans				
From Banks	43,351,553		3,234,267	
		<u>43,351,553</u>		<u>3,234,267</u>
		<u>43,351,553</u>		<u>3,234,267</u>

(a) Nature of security and terms of repayment for secured borrowings

Term Loan From Indian Overseas Bank	
Sanctioned amount	Rs.113 lakhs
Secured by	hypothecation of specific assets purchased under loans. The loan is collaterally secured by Land and Building and Plant and machinery located at Pawne village-Plant, Turbhe, Navi Mumbai.
Repayment	repayable in 57 Monthly Installments beginning after three months from the time loan is taken along with interest rate of 14.50% p.a.

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Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2011-12	0	21.36	0.02	0	21.38
2012-13	21.38	91.44	10.16	22.93	100.05
2013-14	100.05	0	11.57	37.62	74
2014-15	74	0	8.15	49.82	32.33
2015-16	* 32.33	0	2.07	34.4	0
<b>TOTAL</b>		<b>112.8</b>	<b>31.97</b>	<b>144.77</b>	

### Term Loan-I from Axis Bank

Sanctioned amount Rs.450 lakhs

Secured by hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705

Repayment repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2015-16	0	450.00	20.24	45.90	424.34

### Term Loan-II from Axis Bank

Sanctioned amount Rs.22 lakhs \*

Secured by hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705

Repayment repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.

\* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2015-16	0	19.00	0.71	10.53	9.18

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
6. Other Long-term Liabilities				
Security Deposit	923,700		1,907,760	
		<u>923,700</u>		<u>1,907,760</u>
7. Short-term Borrowings				
Loan repayable on demand from bank				
Secured	180,872,003		174,378,407	
		<u>180,872,003</u>		<u>174,378,407</u>

Rate of interest charged for the working capital borrowing is 12.25% p.a. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai.



	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
8. Trade Payables				
Micro and Small Enterprises*	<b>11,303,186</b>		9,822,454	
Others	<b>82,021,460</b>		76,626,913	
		<b>93,324,646</b>		<b>86,449,367</b>
* Micro and Small Enterprises				
i. Principal Amount Remaining unpaid		<b>11,303,186</b>	9,822,454	
ii. Interest		Nil	Nil	
iii. Total of a & b		<b>11,303,186</b>	9,822,454	
iv. Interest in term of sec 16		Nil	Nil	
v. Interest due & payable for the period of delay in payment		Nil	Nil	
vi. Interest accrued & remaining unpaid		Nil	Nil	
vii. Interest due & payable even in succeeding years		Nil	Nil	
Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding for more than 45 days at the Balance Sheet date. This information has been determined on the basis of information available with the company and has been relied upon by the auditors.				
	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
9. Other Current Liabilities				
Unclaimed Dividend	<b>1648369</b>		1218171	
Other payables				
ESIC	<b>105,338</b>		110,146	
Provident fund	<b>498,494</b>		463,087	
Salary & remuneration	<b>2,552,505</b>		3,759,140	
TDS	<b>876,155</b>		1,038,876	
Professional tax	<b>42,675</b>		95,525	
Service Tax	<b>11,914</b>		0	
Dividend Payable	<b>2,934,963</b>		2,096,402	
Advances from customers	<b>9,372,643</b>		8,799,881	
		<b>18,043,056</b>		<b>17,581,228</b>
Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end.				
10. Short-term Provisions				
Provision for employee benefits				
Bonus payable	<b>843,385</b>		547,639	
Ex- Gratia Payable	<b>829,099</b>		1,014,263	
Gratuity	<b>1,541,412</b>		789,301	
Leave salary	<b>1,919,130</b>		1,920,310	
	<b>5,133,026</b>		4,271,513	
Provision others				
Provision for expenses	<b>8,388,747</b>		7,135,455	
		<b>13,521,773</b>		<b>11,406,968</b>

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### 11. Fixed Assets

Sr. Description No.	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deduction/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions	Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>											
1 Land (Leasehold)	1,642,190	-	-	1,642,190	-	-	-	-	-	1,642,190	1,642,190
2 Building	38,472,991	-	-	38,472,991	12,262,561	2,704,278	-	-	14,966,839	23,506,152	26,210,430
3 Plant & Machinery	294,787,324	240,596	-	295,027,920	260,893,116	5,578,389	-	-	266,471,505	28,556,415	33,894,208
4 Furniture & Fixtures	52,784,425	4,008,297	-	56,792,722	11,772,226	5,002,871	-	-	16,775,097	40,017,625	41,012,199
5 Office & Other Equip.	13,234,093	5,110,042	-	18,344,135	4,883,458	1,408,414	-	-	6,091,872	12,252,263	8,550,635
6 Computers	11,867,258	1,866,468	-	13,733,726	10,426,206	828,494	-	-	11,254,700	2,479,026	1,441,052
7 Electrical Installation	11,349,113	3,118,325	-	14,467,438	7,515,538	882,201	-	-	8,397,739	6,069,699	3,833,575
8 Vehicles	2,018,681	-	-	2,018,681	689,045	346,332	-	-	1,033,377	983,305	1,329,636
	<b>426,156,075</b>	<b>14,343,728</b>	<b>-</b>	<b>440,499,803</b>	<b>308,242,151</b>	<b>16,750,978</b>	<b>-</b>	<b>-</b>	<b>324,993,129</b>	<b>115,506,674</b>	<b>117,913,924</b>
<b>Intangible Assets</b>											
1 Software	2,118,561	910,055	-	3,028,616	1,158,070	539,338	-	-	1,697,408	1,331,208	960,491
2 Trademark(Brand)	300,000	-	-	300,000	200,000	100,000	-	-	300,000	-	100,000
	<b>428,574,636</b>	<b>15,253,783</b>	<b>-</b>	<b>443,828,419</b>	<b>309,600,221</b>	<b>17,390,316</b>	<b>-</b>	<b>-</b>	<b>326,990,537</b>	<b>116,837,882</b>	<b>118,974,415</b>
Previous Year	384,124,573	48,122,186	3,672,123	428,574,636	290,846,243	19,426,902	1,372,235	(699,312)	309,600,222	118,974,414	93,278,330
Capital Work In Progress											
Intangible Assets Under Development										<b>2,078,378</b>	2,078,378

As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.

### 12. Non Current Investments

#### Other Non Current Investments

Advances towards subscription of shares in Subsidiary Companies	-	459,400.00
Investments in Subsidiary Companies	9,000,000	-

	<b>9,000,000</b>	<b>459,400.00</b>
--	------------------	-------------------

### 13. Deferred tax (liability) / asset

#### Tax effect of items constituting deferred tax liability

On difference between depreciation as per books & that as per income tax

-

On expenditure deferred in the books but allowable for tax purposes

925,952

925,952

90,718

90,718

#### Tax effect of items constituting deferred tax assets

On difference between depreciation as per books & that as per income tax

794,555

1,837,929

Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961

1,384,840

661,258

Unabsorbed depreciation carried forward

14,700,970

Brought forward business losses

-

Tax effect of items constituting deferred tax assets

2,179,395

17,200,157

#### **Net deferred tax (liability) / asset**

**1,253,443**

**17,109,439**

In terms of Accounting Standard 22 "Accounting for Taxes on Income", the Company has computed Net Deferred Tax Asset for the F.Y. 2015-2016 amounting to Rs. 12.53 lakhs (previous year Rs. 171.09 lakhs). In current financial year deferred tax assets is reduced by Rs.158.27 lakhs and the management has taken decision to recognise this amount to profit and loss account.

As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.

### 14. Long-term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Capital Advances

2,791,810

2,791,810

Security Deposits

38,952,620

38,027,075

41,744,430

40,818,885

41,744,430

40,818,885

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	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
15. Other Non Current assets				
Amortisation of Right Issue Expenses	382,778		765,557	
		<u>382,778</u>		<u>765,557</u>
16. Current Investments				
Investments Equity Shares of IDBI Bank Ltd (Quoted) [2880 (Including Bonus Shares issues of 1080 shares)] (Aggregate Market Value Rs.2,00,160/- P.Y. Rs.2,04,624/- )	234,000		234,000	
		<u>234,000</u>		<u>234,000</u>
17. Inventories				
(At lower of cost and net realisable value)				
Raw Materials	16,733,537		18,849,980	
Work in Progress	10,499,734		12,561,065	
Finished Goods	141,195,524		173,933,864	
Stock In Trade	43,588,314		520,196	
Stores and Spares	5,490,531		6,366,192	
Fuel & Oil	156,365		127,259	
		<u>217,664,005</u>		<u>212,358,556</u>
18. Trade Receivables				
Outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, Considered Good	20,926,583		38,012,788	
Less: Provision for Doubtful Debts	-		-	
		<u>20,926,583</u>		<u>38,012,788</u>
Others				
Unsecured, Considered Good	164,506,612		71,441,401	
		<u>164,506,612</u>		<u>71,441,401</u>
		<u>185,433,195</u>		<u>109,454,189</u>
19. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
(a) Balances with Banks	934,608		1,079,574	
(b) Cash on Hand	392,178		986,764	
(ii) Earmarked Balances with Banks				
Unpaid Dividend	1,648,477		1,218,293	
		<u>2,975,263</u>		<u>3,284,631</u>
		<u>2,975,263</u>		<u>3,284,631</u>
20. Short-term Loans and Advances				
(Unsecured, Considered Good)				
Loans and advances to employees	364,580		117,018	
Loans and advances to related party				
Prepaid expenses	598,221		557,750	
Balances with government authorities				
Central Excise and Customs	613,906		673,408	
Service Tax receivable	-		191,490	
Sales tax Refund and Set-off	7,538,908		7,290,760	
Income Tax (Net of provisions)	11,121,306		21,816,770	
*MAT Credit Entitlement	6,561,567		0	
Advances to Suppliers	2,520,805		1,312,925	
		<u>29,319,293</u>		<u>31,960,121</u>

\*The Company has first time recognised accumulated Mat Credit in the books during the current financial year.



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21. Other Current Assets				
Others				
Receivable in Cash or Kind		11,106,228	14,356,195	
		<u>11,106,228</u>	<u>14,356,195</u>	
		<b>For the year ended</b>	<b>For the year ended</b>	
		<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	
		<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
22. Revenue from Operations				
Sale of products (Refer Note (i) below)		804,355,699	697,159,161	
Sale of services (Refer Note (ii) below)		-	-	
Other operating revenues (Refer Note (iii) below)		1,384,761	1,839,907	
		<u>805,740,460</u>	<u>698,999,068</u>	
Revenue from Operations (Gross)		<b>805,740,460</b>	<b>698,999,068</b>	
Less: Excise Duty		<u>316,791</u>	<u>-</u>	
Revenue from Operations (Net)		<u><b>805,423,669</b></u>	<u><b>698,999,068</b></u>	
Notes:				
(i) Sale of products:				
<u>Manufactured Goods</u>				
Knitted Fabrics		391,112,991	391,384,988	
Garments & Apparels		412,925,917	274,452,853	
		<u>804,038,908</u>	<u>665,837,841</u>	
<u>Traded Goods</u>				
Trading Goods		-	31,321,320	697,159,161
(ii) Sale of services:				
Commission		-	-	-
(iii) Other operating revenues:				
Scrap Sales		1,333,309	1,663,513	
Duty Drawback		51,452	176,394	1,839,907
23. Other Income				
Interest Income from Banks				
on Deposits		13,345	43,889	
Interest on Income Tax Refund		637,338	-	
Other Interest		736,888	684,824	
		<u>1,387,571</u>	<u>728,713</u>	
Dividend Income		2,160	792	
Other non operating Income		4,281,069	4,988,250	
		<u>5,670,799</u>	<u>5,717,755</u>	
24. Cost of Materials consumed				
Opening stock		18,849,980	17,295,769	
Add: Purchases		235,412,104	239,905,401	
Less: Closing stock		16,733,537	18,849,980	
		<u>237,528,546</u>	<u>238,351,190</u>	
Material consumed:				
Chemicals		52,207,732	49,795,418	
Dyes		24,103,924	25,296,815	
Yarn & Fabric		148,119,325	149,795,180	
Other Raw Materials		13,097,565	13,463,777	
		<u>237,528,546</u>	<u>238,351,190</u>	
25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the end of the year:				
Finished goods		141,195,524	173,933,864	
Work-in-progress		10,499,734	12,561,065	
Stock-in-trade		43,588,314	520,196	
		<u>195,283,572</u>	<u>187,015,125</u>	

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Inventories at the beginning of the year:			
	173,933,864	134,547,935	
Finished goods			
Work-in-progress	12,561,065	11,532,489	
Stock-in-trade	520,196	562,215	146,642,639
	<u>(8,268,447)</u>		<u>(40,372,486)</u>
	<b>For the year ended</b>		<b>For the year ended</b>
	<b>31<sup>st</sup> March, 2016</b>		<b>31<sup>st</sup> March, 2015</b>
	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>	<b>Amt. in Rs. Amt. in Rs.</b>
<b>26. Employee Benefits Expense</b>			
Salaries and wages	56,558,786	50,555,079	
Contributions to provident and other funds	4,047,259	3,285,420	
Expense on employee stock option (ESOP) scheme	-	-	
Staff welfare expenses	3,861,810	3,735,435	
		<u>64,467,855</u>	<u>57,575,934</u>
<b>27. Finance Costs</b>			
Interest Expenses on:			
Borrowings	29,062,613	24,386,010	
Trade Payables	716,668	628,379	
Others	75,914		
Interest on delayed payment of Excise duty	-	1,758	
Interest on delayed payment of Service tax	-	7,501	
		<u>29,855,195</u>	<u>25,023,648</u>
<b>28. Other Expenses</b>			
Stores & Spares Consumable	21,119,016	19,320,890	
Consumption Of Packing Materials	9,548,760	8,330,961	
Sub Contracting	88,303,690	71,314,457	
Power & Fuel	56,371,258	58,371,802	
Water	5,834,597	7,630,446	
Rent Including Lease Rentals	6,970,191	11,050,091	
Repair & Maintenance:			
Building	3,384,614	1,125,884	
Machinery	2,675,793	2,850,526	
Others	5,181,302	4,259,512	
Insurance	531,240	611,212	
Garment Division Expenses	20,422	25,312	
Rates & Taxes	9,438,552	9,850,036	
Communication	2,852,092	3,339,361	
Travelling & Conveyance	3,888,103	3,713,458	
Printing & Stationery	927,167	848,804	
Sales Commission	8,253,103	3,657,856	
Business Promotion Expenses	851,198	460,521	
Discount on Sales	138,586,298	113,489,594	
Royalty	8,378,810	9,455,534	
Legal & Professional	7,070,161	6,155,092	
Statutory Auditors Remuneration (Refer note.29)	458,000	280,900	
Transportation Charges	8,086,143	6,622,747	
Bank Charges, Commission & Others	552,032	574,278	
Advertisement Expenses	401,582	997,574	
Motor Car Expenses	1,580,853	1,601,836	
Security Charges	3,630,076	3,691,325	
Registrar & Transfer Expenses	135,850	129,682	
Subscription & Membership	42,000	38,470	
Sundry Balance W/Off	18,041	714,993	

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Prior Period Expenses	259,254	967,045
Amortisation of Share issue expenses	382,779	382,779
Loss on sale of fixed assets	-	703,924
Establishment Management Fees	5,466,880	5,393,280
Miscellaneous Expenses	3,262,126	3,656,463
	<b>404,461,983</b>	<b>361,616,645</b>
29. Auditors' Remuneration		
Statutory Audit Fees	343,500	252,810
Tax Audit Fees	114,500	28,090
	<b>458,000</b>	<b>280,900</b>
	<b>For the year ended 31<sup>st</sup> March, 2016</b>	<b>For the year ended 31<sup>st</sup> March, 2015</b>

30. Proposed Dividend		
Proposed Dividend (Amt. in Rs.)	2,934,963	2,096,402
Number of shares outstanding as at the end of the year		
Promoter group	12,481,500	12,481,500
Non-Promoter group	4,192,803	4,192,803
Dividend per Share (Rs. per Equity Share of Rs. 10 each)	<b>0.70</b>	<b>0.50</b>

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has recommended a Dividend of Rs.0.70 per share exclusively on the share capital held by the public for the year ended 31st March, 2016. The promoters have waived their entitlement of receiving dividend in order to support the business activities of the company.

### 31. Employees' Stock Option Plan 2011

The Company instituted the Employee Stock Option Plan – ESOP 2011 to grant equity based incentives to its eligible employees in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP-2011 ("The Scheme") had been approved by the Board of Directors of the Company at their meeting held on 30th Sept, 2011 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on 2nd Sept 2011, to grant 9,60,000 options, representing one share at par for each option upon exercise by the employee of the Company determined by the Board/Compensation Committee. The Scheme covers grant of options to the specified permanent eligible employees of the Company and also to non-executive directors of the Company including independent directors. Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company. Out of this, 97600 options were not accepted.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, the total options are divided on certain prescribed basis spread over a period of 5 years and accordingly the same will vest in the employee every year. The Option grantee must exercise all vested options within a period of five years from the date of granting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time within the said period of five years and the shares arising on exercise of such options shall be subject to a lock-in period of 1 year from the date of allotment. There has been no exercise of the options vested in the employees as at year end.

The status of options granted to the Employee during the year is set out below:-

Particulars	Grant of Options
Date of Grant	31/1/2013
Market price on date of grant of the options (per share) (A)	7.68
Face value (per share) (B)	10
Exercise Price - higher of (A) or (B)	10
Expected life of the option granted	5
Options Granted (Nos.)	350800
Options Lapsed (Nos.)	97600
Options Forfeited (Nos.)	0
Options Vested and exercisable at the end of the period (Nos.)	97750
Options Exercised (Nos.)	0
Options Expired (Nos.)	0
Options Outstanding at the end of the period (Nos.)	155450
Mode of settlement	Equity
<b>Graded vesting schedule</b>	<b>Percentage of options granted</b>
1st Anniversary of the Grant Date	10%
2nd Anniversary of the Grant Date	15%
3rd Anniversary of the Grant Date	20%
4th Anniversary of the Grant Date	25%
5th Anniversary of the Grant Date	30%

The estimated fair value computed as prescribed by an independent valuer on the basis of Black Scholes pricing model for each

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stock option granted is within the range of Rs.10.00 to Rs.16.11 per option. Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2016 would have been higher by Rs.15,74,753/- had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been Rs. 0.79 and Rs. 0.78.

	Unit	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
32. Consumption of Raw, Stores & Spares and Packing Materials					
Chemicals			52,207,732		49,795,418
Dyes			24,103,924		25,296,815
Yarn & Fabric	Kgs	641,879	148,119,325	729,407	149,795,180
Other Raw Materials			13,097,565		13,463,777
Stores & Spares			21,119,016		19,320,890
Packing Materials			9,548,760		8,330,961
			<u>268,196,322</u>		<u>266,003,041</u>
			<b>For the year ended 31<sup>st</sup> March, 2016</b>		<b>For the year ended 31<sup>st</sup> March, 2015</b>
			%	%	Amt. in Rs.
Imported			0.21	0.46	1,232,879
Indigenous			99.79	99.54	264,770,162
			<u>100.00</u>	<u>100.00</u>	<u>266,003,041</u>
Notes:					
(a) The above details of consumption consists of Raw materials which are consumed directly for manufacture of finished product and other items which are indirectly related to manufacture of finished products, i.e. stores, spares and packing materials.					
			<b>As at 01<sup>st</sup> April, 2015</b>		<b>As at 01<sup>st</sup> April, 2014</b>
			Quantity	Quantity	Amt. in Rs.
33. Opening Stock					
1. Yarn	Kgs	42,079	7,909,104	36,067	7,522,603
2. Grey fabric	Kgs	24,390	4,725,932	23,189	5,034,541
3. Chemicals			1,569,588		1,408,490
4. Stores, Spares & Other items			7,726,057		7,335,461
5. Packing Materials			706,318		694,600
6. Dyes			2,706,432		2,119,967
7. Stock in trade	Pcs	2,962	520,196	3,193	562,215
8. Work in Progress	Kgs	14,761	10,072,190	27,777	9,667,327
	Pcs	36,089	2,488,875	34,000	1,865,162
9. Finished Goods					
Finished Fabric	Kgs	240,718	70,923,562	128,275	40,995,903
Finished Garments	Pcs	329,188	103,010,302	272,841	93,552,032
			<u>212,358,566</u>		<u>170,758,301</u>
			<b>For the year ended 31<sup>st</sup> March, 2016</b>		<b>For the year ended 31<sup>st</sup> March, 2015</b>
			Quantity	Quantity	Amt. in Rs.
34. Sales					
1. Processed Fabric	Kgs	2,965,828	391,112,991	3,334,003	391,384,988
2. Ready Made Garments	Pcs	1,067,696	154,908,050	637,433	92,452,732
3. Garments & Apparels (Retail Division)	Pcs	328,489	258,017,867	237,534	182,000,121
4. Trading Sales - Fabric & Others	Mtrs		-	104,504	31,321,320
			<u>804,038,908</u>		<u>697,159,161</u>
35. Purchases of Stock-in-Trade					
1. Purchases - Fabric & Others	Mtrs	414,702	39,298,825	104,504	31,021,915
			<u>39,298,825</u>		<u>31,021,915</u>

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		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
36. Closing Stock					
1. Yarn	Kgs	40,981	7,609,235	42,079	7,909,104
2. Grey fabric	Kgs	16,428	3,071,580	24,390	4,725,932
3. Chemicals			1,661,746		1,569,588
4. Stores, Spares & Other items			7,605,816		7,726,057
5. Packing Materials			646,190		706,318
6. Dyes			1,785,867		2,706,432
7. Stock in trade	Kgs	108,287	43,588,314	-	-
	Pcs	-	-	2,962	520,196
8. Work in Progress	Kgs	10,900	8,968,675	14,761	10,072,190
	pcs	188,602	1,531,059	36,089	2,488,875
9. Finished Goods					
Finished Fabric	Kgs	139,243	11,333,460	240,718	70,923,562
Finished Garments	Pcs	328,719	129,862,064	329,188	103,010,302
			<u>217,664,005</u>		<u>212,358,556</u>
			<b>For the year ended 31<sup>st</sup> March, 2016</b>		<b>For the year ended 31<sup>st</sup> March, 2015</b>
			<b>Quantity</b>		<b>Amt. in Rs.</b>
37. CIF Value of Imports					
Components and Spare Parts			570,748		1,232,879
Capital Goods			-		-
38. Expenditure in Foreign Currency					
Travelling			505,390		489,906
Others			1,103,438		4,803,332
39. Earnings in Foreign Exchange					
FOB Value of Exports			1,014,903		4,302,327
40. Forward Contracts and Unhedged Foreign Currency Outstanding Balances					
The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2016 are as under:					
(a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:					
		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		Amount in Foreign Currency	Amount in Rupee	Amount in Foreign Currency	Amount in Rupees
Particulars					
Receivables					
US Dollar		-	-	-	-
Payables #					
# There is no amount payable in foreign currency outstanding as on 31st March, 2016.					
41. Employee Benefits					
The company has classified various employee benefits as under:					
(A) Defined Contribution Plans					
The company has recognised the following amounts in the Statement of Profit and Loss for the year:					
		For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
		Amt. in Rs.		Amt. in Rs.	
(i) Contribution to Provident Fund		2,445,573		1,942,044	
(ii) Contribution to Employees' State Insurance Scheme		700,729		782,637	
(B) Defined Benefit Plan					
Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:					



	For the Year ended 31 <sup>st</sup> March, 2016		For the Year ended 31 <sup>st</sup> March, 2015	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate (per annum)	7.45%	7.45%	7.80%	7.80%
(b) Rate of increase in Compensation Levels	5.00%	5.00%	5.00%	5.00%
(c) Rate of Return on Plan Assets	N.A	8.35%	N.A	9.00%
	For the Year ended 31 <sup>st</sup> March, 2016		For the Year ended 31 <sup>st</sup> March, 2015	
	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	1,920,310	4,941,508	2,917,370	3,877,567
(b) Interest Cost	144,784	339,905	257,802	330,758
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	397,579	651,521	765,293	611,358
(e) Benefits Paid	(128,207)	(1,167,502)	(230,358)	(564,733)
(f) Actuarial (Gain)/Loss	(415,336)	862,946	(1,789,797)	686,558
(g) Closing Present Value of Obligation	1,919,130	5,628,378	1,920,310	4,941,508
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	3,622,207	-	3,301,068
(b) Expected Return on Plan Assets	-	331,629	-	224,032
(c) Actuarial Gain/(Loss)	-	8,011	-	61,266
(d) Employers' Contributions	-	1,292,621	-	600,574
(e) Benefits Paid	-	(1,167,502)	-	(564,733)
(f) Closing Fair Value of Plan Assets	-	4,086,966	-	3,622,207
	For the Year ended 31 <sup>st</sup> March, 2016		For the Year ended 31 <sup>st</sup> March, 2015	
	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	1,919,130	5,628,378	1,920,310	4,941,508
(b) Fair Value of Plan Assets as at the year end	-	4,086,966	-	3,622,207
(c) (Asset)/Liability recognised in the Balance Sheet	1,919,130	1,541,412	1,920,310	1,319,301
	For the Year ended 31 <sup>st</sup> March, 2016		For the Year ended 31 <sup>st</sup> March, 2015	
	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.	Leave Encashment Amt. in Rs.	Gratuity Amt. in Rs.
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	397,579	651,521	765,293	611,358
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	144,784	339,905	257,802	330,758
(d) Expected Return on Plan Assets	(415,336)	(331,629)	-	(224,032)
(e) Net Actuarial (Gain)/Loss	-	854,935	(1,789,797)	625,291
Total Expenses recognised in the Statement of Profit and Loss	127,027	1,514,732	(766,702)	1,343,375

NOTE:

- Leave Encashment liability is determined by an independent actuary and relevant provisions are made in the books of account. The payment towards the liability is made by the company as and when the employee becomes eligible to claim the encashment.
- The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is paid by the company to the "Suditi Employees Group Gratuity Trust". The said Trust administers the scheme.

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	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	Amt. in Rs.	Amt. in Rs.
42. Segment Information		
(A) Information in respect of Primary Segments Refer Note (a) below		
(B) Information in respect of Secondary Segments		
(I) Segment Revenue		
India	804,408,766	696,000,296
Other Countries	1,014,903	2,998,772
	<u>805,423,669</u>	<u>698,999,068</u>
(II) Carrying Amount of Segment Assets		
India	618,028,895	551,824,413
Other Countries	-	-
	<u>618,028,895</u>	<u>551,824,413</u>
(III) Capital Expenditure		
India	15,253,783	48,122,186
Other Countries	-	-
	<u>15,253,783</u>	<u>48,122,186</u>
(a) The primary reporting of the company is based on the business segment. The company has no substantial amount of business in other segment except manufacturing of knitted hosiery fabrics and readymade garments.		
(b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated in to two segments namely India and Other Countries for the purpose of reporting geographical segments.		
(c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2.		
(d) In the opinion of the Company it is not practicable to provide segmentwise disclosure relating to the Capital Employed as it cannot be bifurcated between segments considering the nature of production facilities which are common and combined for all the segments.		
43. Related Party Disclosures		
Related parties with whom the company had transactions during the year		
a) Key Management Personnel		
1. Mr.Pawan Agarwal - Chairman and Managing Director		
2. Relatives of Key Management Personnel:		
1. Mr.Kishorilal Agarwal (Father - Late)		
2. Mr.Anand Agarwal (Brother)		
3. Mr.Rajendra Agarwal (Brother)		
4. Mrs.Pramila Agarwal (Wife of Anand Agarwal)		
5. Mrs.Shalini Agarwal (Wife of Pawan Agarwal)		
b) Enterprises under Common control of the Promoters		
1. BLR Knits Pvt. Ltd.		
2. Intime Knits Pvt. Ltd.		
3. Black Gold Leasing Pvt. Ltd.		
4. R. Piyarellal Pvt. Ltd.		
5. Suditi Design Studio Ltd		
6. Suditi Sports Apparels Ltd		
Disclosure of transactions between the company and related parties		
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal	2,100,000	1,814,920
	<u>2,100,000</u>	<u>1,814,920</u>
b) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.	12,892,913	17,838,102
2. BLR Knits Pvt. Ltd.	234,348	1,462,357
3. Suditi Design Studio Ltd.	6,424,886	-

## SUDITI INDUSTRIES LTD



b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	1,651,079	480,173
2. BLR Knits Pvt. Ltd.	-	269,677
c) Payment for Services Received		
1. Intime Knits Pvt. Ltd.	237,347	82,240
2. Black Gold Leasing Pvt. Ltd.	14,588,702	13,308,082
3. R. Piyarellal Pvt. Ltd.	1,376,455	3,404,180
4. BLR Knits Pvt. Ltd.	-	957
d) Balance Outstanding as at the year end		
1. BLR Knits Pvt. Ltd. (Receivable)	-	246,492
2. Intime Knits Pvt. Ltd. (Net Receivable)	-	150,709
Intime Knits Pvt. Ltd. (Net Payable)	7,366,586	-
3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	30,381,466	30,381,466
4. Black Gold Leasing Pvt. Ltd. (Net Payable)	-	455,090
5. R. Piyarellal Pvt. Ltd. (Payable)	159,553	55,852
6. Suditi Design Studio Ltd (Receivable)	6,404,719	-

#### 44. Leases

##### (I) Disclosures for Finance Leases

The company has not entered into any finance lease arrangement during the year.

##### (II) Disclosures for Operating Leases

Disclosures in respect of Premises taken on lease.

	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	6,970,191	11,050,091
(b) Significant leasing arrangements		
The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
i) Terms of Leases	3 - 9 year	3 - 9 year
(Renewal of lease terms after first 3 years)		
ii) Incremental / Escalation rate after every 3 years term	12% - 15%	12% - 15%
ii) Terms of cancellation		
(By issuing notice varying from 1-3 months subject to locking period or on expiry of the term of agreement)		
(c) Future minimum lease payments under non cancellable agreements		
(i) Not later than one year	-	4,628,256
(ii) Later than one year and not later than five years	-	1,157,064
(iii) Later than five years	-	12,299,452

#### 45. Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Profit for the year (Amt. in Rs.)	14,667,288	9,768,076
Weighted average number of Shares for Basic Earnings per Share	16,674,303	16,674,303
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-



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Add: Effect of Dilutive Potential Shares (Employee Stock Options)	<u>97,750</u>	<u>58,075</u>
Weighted average number of Shares for Diluted Earnings per Share	<u>16,772,053</u>	<u>16,732,378</u>
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	<b>0.88</b>	0.59
Diluted	<b>0.87</b>	0.58

	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
46. Contingent Liabilities				
(a) Claims against the company not acknowledged as debts				
(i) Sales tax matters	16,029,051		16,029,051	
(ii) Excise matters	-		-	
(iii) Income tax matters	-		-	
		<u>16,029,051</u>		<u>16,029,051</u>
(b) Bond/Guarantee given to any Government Department or Corporation				
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	16,910,924		16,910,924	
		<u>16,910,924</u>		<u>16,910,924</u>

Note:

- (i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.
- (ii) Similarly in respect of Item (b)(i) the Liability may vary depending up to the scheme if any allowed or permitted at the time of redemption or settlement of the licence which may included interest and other penalties/levies.

Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).

47. Details of Subsidiaries for the year 2015-16:

### FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A - Subsidiaries

(Amount Rs. in Lacs)

Sr. no	Name of subsidiary	Reporting currency	Share capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments			Revenue From Operations	Profit Before tax	Provision for taxation	Profit After taxation	Proposed Dividend	% of Share Holding
							Total	Subsidiary Investment	Investment in others						
1	Suditi Design Studio Limited	INR	87	-16.88	501.95	431.83	-	-	-	518.7	-16.88	0	-16.88	0	98.85
2	Suditi Sports Apparel Limited	INR	5	0	5.11	0.11	-	-	-	0	0	0	0	0	80



Part B - Associates and Join Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

There are no associates and joint ventures

48. The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.

Signatures to Notes 1 to 48

In terms of our report of even date

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**(S.N.Chaturvedi)**  
Partner  
(Membership No.040479)  
Mumbai, 30<sup>th</sup> May, 2016

For and on behalf of the Board

**Pawan Agarwal**  
Chairman & Managing Director

**Vivek Gangwal**  
Director

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary  
Mumbai, 30<sup>th</sup> May, 2016

**Sushil Kumar Kasliwal**  
Director

**Manoj Khemka**  
V.P.Accounts & Commercial

## Twenty-Fifth Annual Report 2015 - 2016

### INDEPENDENT AUDITOR'S REPORT

To The Members of

#### SUDITI INDUSTRIES LIMITED

##### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SUDITI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

##### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

##### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures

that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

##### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2016, their consolidated "profit" and consolidated cash flows for the year ended on that date.

##### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
  - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, - Refer Note No. 43 to the consolidated financial statements.
    - ii) The Group did not have any material foreseeable



losses on long-term contracts including derivative contracts.

- iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.: 302137E)

(**S.N. Chaturvedi**)  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date: May 30, 2016

**ANNEXURE A TO AUDITORS' REPORT**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Suditi Industries Ltd.**, (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

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

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 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") issued by ICAI and the Standards of 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 issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion to the best of our information and according to explanations given to us, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.: 302137E)

(**S.N. Chaturvedi**)  
Partner  
(Membership No.: 040479)

Place : Mumbai  
Date: May 30, 2016

## Twenty-Fifth Annual Report 2015 - 2016

### SUDITI INDUSTRIES LIMITED - CONSOLIDATED RESULTS BALANCE SHEET AS AT 31ST MARCH, 2016

	Note	As at 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	Amt. in Rs.
<b>I. Equity and Liabilities</b>			
1. Shareholders' Funds			
(a) Share Capital	3.	166,743,030	-
(b) Reserves and Surplus	4.	99,580,494	-
		-	266,323,524
2. Minority interest		-	180,595
3. Non-Current Liabilities			
(a) Long-term Borrowings	5.	43,351,553	-
(b) Other Long-term Liabilities	6.	7,948,700	-
		-	51,300,253
4. Current Liabilities			
(a) Short-term Borrowings	7.	190,872,003	-
(b) Trade Payables	8.	109,055,470	-
(c) Other Current Liabilities	9.	20,973,417	-
(d) Short-term Provisions	10.	14,625,124	-
		-	335,526,014
Total			<u>653,330,386</u>
<b>II. Assets</b>			
1. Non-Current Assets			
(a) Fixed Assets	11.		
(i) Tangible Assets		115,953,290	-
(ii) Intangible Assets		1,690,125	-
(iii) Capital Work-in-Progress		-	-
(iv) Intangible Assets Under Development		2,078,378	-
		119,721,793	-
(b) Non Current Investments			
(c) Deferred Tax Assets (Net)	12.	1,253,443	-
(d) Long-term Loans and Advances	13.	44,490,363	-
(e) Other Non Current assets	14.	1,478,250	-
		-	166,943,849
2. Current Assets			
(a) Current Investments	15.	234,000	-
(b) Inventories	16.	232,740,942	-
(c) Trade Receivables	17.	209,203,019	-
(d) Cash and Bank Balances	18.	3,636,579	-
(e) Short-term Loans and Advances	19.	29,465,769	-
(f) Other Current Assets	20.	11,106,228	-
		-	486,386,537
Total		-	<u>653,330,386</u>

Significant Accounting Policies & Notes on financial Statements

1 to 46

The Notes are an integral part of the Financial Statements.

In terms of our report of even date

For and on behalf of the Board

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**Pawan Agarwal**  
Chairman & Managing Director

**Sushil Kumar Kasliwal**  
Director

**Vivek Gangwal**  
Director

**Manoj Khemka**  
V.P.Accounts & Commercial

(**S.N.Chaturvedi**)  
Partner  
(Membership No.040479)  
Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary  
Mumbai, 30<sup>th</sup> May, 2016



**Suditi Industries Limited - Consolidated Results  
Statement of Profit and Loss for the year ended 31st March, 2016**

	Note	Year ended 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	Amt. in Rs.
<b>I. Revenue</b>			
Revenue from Operations (Gross)	21.	895,044,487	-
Less: Discount		44,295,191	-
Less: Excise Duty		430,713	-
Revenue from Operations (Net)		-	850,318,583
<b>II. Other Income</b>	22.	-	6,270,799
<b>III. Total Revenue (I+II)</b>		-	856,589,382
<b>IV. Expenses</b>			
Cost of Materials Consumed	23.	250,581,785	-
Purchases of Stock-in-Trade		39,298,825	-
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24.	(23,345,384)	-
Employee Benefits Expense	25.	81,109,451	-
Finance Cost	26.	30,311,359	-
Depreciation and amortisation expenses		17,591,307	-
Other Expenses	27.	436,369,889	-
<b>Total Expenses</b>		-	831,917,233
<b>V. Profit / (Loss) before tax</b>		-	24,672,149
<b>VI. Tax Expense</b>			
Current Tax (MAT)		10,404,892	-
(Less): MAT credit (where applicable)		(3,988,531)	-
Net current tax expense		6,416,361	-
Deferred tax Liability / (Assets)		15,826,643	22,243,004
<b>VII. Prior period adjustment</b>		-	(10,550,098)
<b>VIII. Profit and Loss After Tax</b>		-	12,979,243
Share of Minority Interest		-	(19,405)
<b>IX. Profit and Loss for the year</b>		-	12,998,648
<b>X. Earnings per share (of Rs.10/- each)</b>			
Basic		-	0.78
Diluted		-	0.77
Number of Shares Used for Computing Earning Per Share			
Basic		-	16,674,303
Diluted		-	16,772,053

Significant Accounting Policies & Notes on financial Statements

1 to 46

The Notes are an integral part of the Financial Statements.  
In terms of our report of even date

For and on behalf of the Board

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Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary  
Mumbai, 30<sup>th</sup> May, 2016

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### SUDITI INDUSTRIES LIMITED - CONSOLIDATED RESULTS CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

	Year ended 31st March, 2016	
	Rs. in lakhs	Rs. in lakhs
<b>A. Cash flow from operating activities</b>		
Net Profit before Tax	-	246.72
Adjustments for -		
Depreciation and Amortisation Expense	175.91	-
Depreciation provision transfer to prior period account	-	-
Amortisation of Rights Issue Expenses	3.83	-
Loss on sale of fixed assets	-	-
Interest Income	(2.15)	-
Interest Expense	2.77	-
Fixed Assets Written Off	-	-
Prior period Adjustments	105.50	-
Dividend Received	(0.02)	-
	-	285.84
Operating profit before working capital changes	-	532.57
Adjustments for -		
Trade and Other Receivables	(940.05)	-
Inventories	(203.82)	-
Trade and Other Payables	457.10	-
	-	(686.77)
Cash generated from operations	-	(154.20)
Direct Taxes paid (net of refund of taxes)	-	(64.16)
Net cash from operating activities	-	(218.37)
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed Assets	(162.60)	-
Sale of Fixed Assets	-	-
Subsidy - Capital	-	-
Minority Interest	2.00	-
Movement in Long term loans and advances	(36.71)	-
Dividend Received	0.02	-
Subsidy - Interest	2.15	-
Movement in Non Current Investments	4.59	-
Movement in Other Non Current Assets	(10.95)	-
Net cash used in investing activities	-	(201.51)
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from Long-term Borrowings	492.01	-
Repayment of Long-term Borrowings	(90.84)	-
Movement in Other long term liabilities	60.41	-
Dividend paid	(29.35)	-
Tax paid on Dividend	(6.07)	-
Interest paid	(2.77)	-
Net cash used in financing activities	-	423.39
Net increase/(decrease) in cash and cash equivalents	-	3.52
Cash and Cash Equivalents - Opening Balance	-	32.85
Cash and Cash Equivalents - Closing Balance	-	36.37

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013.
- Previous year figures have been regrouped where necessary.

In terms of our report of even date

For and on behalf of the Board

For **Chaturvedi & Co.**  
Chartered Accountants  
(Firm Registration No.302137E)

**Pawan Agarwal**  
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Mumbai, 30<sup>th</sup> May, 2016

**H.Gopalkrishnan**  
V.P.Finance & Company Secretary

Mumbai, 30<sup>th</sup> May, 2016



**Suditi Industries Limited - Consolidated Results**

**Notes forming part of the Financial Statements for the year ended 31st March, 2016**

1. This is the first year of consolidation of the financial results of holding and subsidiary companies hence previous year's figures are presented as nil.

2. Significant Accounting Policies

**1. Principles of Consolidation**

The Consolidated Financial Statements relate to Suditi Industries Ltd.(the holding company'), Suditi Design Studio Ltd. and Suditi Sports Apparels Ltd (the subsidiary companies)

The Consolidated Financial Statements have been prepared on the following basis:

1. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with Accounting Standard (AS) 21 on "Consolidated Financial Statements" as notified.
2. The difference between the cost of investments in the subsidiaries, over the net assets at the time of acquisition of shares in subsidiaries, or on the date of the financial statement immediately preceding the date of acquisition in subsidiaries, is recognised in the financial statements as Goodwill or Capital Reserve, as the case may be.
3. Minority Interest in share of net assets of Consolidated Subsidiaries is identified in the consolidated balance sheet separate from liabilities and the equity of the company's shareholders.

The Consolidated Financial Statements have been prepared using Uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

**2. Basis of preparation**

1. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

All assets and liabilities are classified as current or non-current as per the company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2. The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. Inventories

Inventories are valued at lower of cost and net realisable value. Raw Materials, Stores and spares and Packing Material is determined on cost basis. The cost formula used for determination of cost are on FIFO basis.

Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.

4. Cash Flow

The cash flow statement is prepared by the "Indirect Method" set out in Accounting Standard (AS) –3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand and deposits with banks.

5. Depreciation / Amortisation

Tangible Assets

(a) Depreciation on tangible assets is provided on Straight Line Method. Depreciation for assets purchased or sold during the year is charged to the statement of profit & loss on a pro-rata basis . Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

(b) The WDV of assets whose useful life as on 01st April, 2014 have expired has been adjusted against opening reserves as provided in Companies Act, 2013 .

(c) Assets costing individually up to Rs.5000/- are fully depreciated in the year of purchase.

Intangible Assets

These are amortised as under -

<b>Particular</b>	<b>Amortisation</b>
Software	Over a period of 3 years
Brand (RIOT)	Over a period of 3 years

6. Revenue Recognition

(a) Sale of Goods

Revenue from sale of goods as recognized in the Financial Statements of Parent Company and Subsidiaries are added together and intra-company transactions are eliminated against each other.



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Revenue from product sales is stated exclusive of returns, sales tax and allowances. The finished goods which include Fabrics and Grey cloth are exempted from excise, however the Branded Apparels & Garments are taxable under excise from 1st March, 2016.

(b) Other Income

Income of the Parent and Subsidiaries are added and consolidated after eliminating intra-company transactions.

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment loss. Cost comprises of purchase/acquisition price, taxes (net of CENVAT and MVAT credit availed), borrowing costs and any directly attributable cost for bringing the asset to its working condition for its intended use.

8. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Foreign currency denominated current assets and current liabilities are translated at the year-end exchange rates. The resulting gain/loss is recognised in the Profit & Loss account.

Foreign Currency liabilities incurred for the acquisition of fixed assets are translated at exchange rates prevailing on the last working day of the accounting year. The resulting gain/loss is recognised in the Profit & Loss account.

9. Government Grants

Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve. Revenue grants are credited to profit and loss account or deducted from related expenses.

10. Investments

Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost and fair value.

11. Employee Benefits

(i) Short-term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period.

(ii) Long-term Employee Benefits

(a) Defined Contribution Plans

Provident Fund

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to P.F. Authorities. The Company makes specified monthly contribution towards Provident Fund. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.

(b) Defined Benefit Plan

Gratuity Plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; such benefit is discounted to determine its present value and the fair value of any plan assets is deducted.

The present value of the obligation under such defined plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The appropriate discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.

Actuarial gains and losses are recognized immediately in the Profit and Loss Account.

(iii) Termination benefits are recognised as an expense as and when incurred.

(iv) Other Long-term employment benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the long term risk free investments as at the balance sheet date.

(v) Employee Stock Option Scheme:

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Company follows the intrinsic method (being the difference between the quoted market price and exercise price) for computing the compensation cost, for options granted under the scheme. The compensation cost is amortised over the vesting period of the options.

12. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard (AS) – 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date when the asset is ready



for its intended use. Other borrowing costs are expensed as incurred.

13. Segment Reporting

The company & its subsidiary companies are presently engaged in the business of manufacturing and processing of knitted hosiery fabrics, ready made garments, ready to wear ethnic/fusion apparels for women & sportswear apparels. Disclosure relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS) – 17 have been made for a single product and for two geographical segments—local & exports.

14. Leases

Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

15. Earning Per Share

Basic and diluted earnings per share have been computed by dividing net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding for the period in accordance with AS-20, "Earning Per Share".

16. Taxes on Income

Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Deferred tax assets are not recognised on un-absorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Minimum Alternate Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.

17. Expenditure on Research and Development

Revenue expenditure is recognised as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.

18. Impairment

At each balance sheet date, the management reviews the carrying amount of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the same is appropriately dealt with in the books after determining the extent of impairment loss.

Reversal of impairment loss is recognized immediately as income in the profit and loss account.

19. Provisions, Contingent Liabilities and Contingent Assets

(a) Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. 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.

(b) Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

(c) Contingent assets are neither recognised nor disclosed in the financial statements.

20. Custom duty

Custom duty payable on imported Raw materials, components, stores/spares etc is recognised to the extent assessed and charged by the custom department.

21. Service tax input credit

Service tax on input service is expensed out since the Company does not have any output liability.

3. Share Capital

	<b>As at</b>	
	<b>31<sup>st</sup> March, 2016</b>	
	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
Authorised		
18,000,000 Equity Shares of Rs. 10 each	<b>180,000,000</b>	-
Issued, Subscribed and Paid-up	<b>166,743,030</b>	-
1,66,74,303 Equity Shares of Rs. 10 each, fully paid up		
(Previous year 1,66,74,303 Equity Shares of Rs. 10 each, fully paid up)	<b>166,743,030</b>	-

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		As at 31 <sup>st</sup> March, 2016	
		No. of Shares	Amt. in Rs.
(a)	Reconciliation of Number of Shares		
	Number of shares outstanding as at the beginning of the year	16,674,303	166,743,030
	Add: Shares issued on Rights Basis	-	-
	Add: Shares allotted under the Employee Stock Option Plan	-	-
	Number of shares outstanding as at the end of the year	<u>16,674,303</u>	<u>166,743,030</u>
(b)	The company and its subsidiary companies have only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. 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. The distribution will be in proportion to the number of equity shares held by share holders.		
(c)	List of shareholders holding more than 5% shares as at the Balance Sheet date		
		As at 31 <sup>st</sup> March, 2016	
	Name of the Shareholder	No. of shares	% of holding
	Pawan Kishorilal Agarwal	12,090,700	72.511
(d)	Shares reserved for issue under options		
	960000 shares were issued under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. Till date, the Company has granted options to 48 employees aggregating to 278700 options. Out of this, 18 employees accepted the grant aggregating to 219500 options. Thirty employees did not accept 59200 options granted to them. The unaccepted options are ploughed back in the pool for further allocation. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. However, options so vested has not been exercised by the employees.		
(e)	Rights Issue		
	Consequent to the Issue of Equity Shares on Right Basis to the existing shareholders in the year 2012-13, the Share Capital of the Company increased from Rs.852.00 lakhs to Rs.1667.45 lakhs. Out of the net Rights Issue proceeds an aggregate sum of Rs. 815.45 lakhs(Previous year Rs.718.98) has been utilised towards the objectives stated in the Rights Issue document upto 31st March, 2016. With this the Company has utilised the entire net Rights Issue proceeds.		
(f)	Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2016)		
	There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2016)		
		As at 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	Amt. in Rs.
4.	Reserves and Surplus		
	Surplus in Statement of Profit and Loss		
	Balance as at the beginning of the year	90,123,384	-
	Add: Profit for the year	12,998,648	-
		<u>103,122,033</u>	-
	Less: Appropriations		
	Transitional impact on Depreciation on account of change from Companies Act, 1956 to Companies Act, 2013	-	-
	Proposed Dividend	2,934,963	-
	Tax on Proposed Dividend	606,576	-
		<u>99,580,494</u>	-
	Balance as at the end of the year	-	<u>99,580,494</u>
5.	Long-term Borrowings		
	Secured		
	Term Loans		
	From Banks	43,351,553	-
		-	43,351,553
		-	<u>43,351,553</u>



<b>Term Loan From Indian Overseas Bank</b>					
Sanctioned amount	Rs.113 lakhs				
Secured by	hypothecation of specific assets purchased under loans. The loan is collaterally secured by Land and Building and Plant and machinery located at Pawne village-Plant, Turbhe, Navi Mumbai.				
Repayment	repayable in 57 Monthly Installments beginning after three months from the time loan is taken along with interest rate of 14.50% p.a.				
(Rs. in lakhs)					
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2011-12	0	21.36	0.02	0	21.38
2012-13	21.38	91.44	10.16	22.93	100.05
2013-14	100.05	0	11.57	37.62	74
2014-15	74	0	8.15	49.82	32.33
2015-16	* 32.33	0	2.07	34.4	0
TOTAL		112.8	31.97	144.77	
<b>Term Loan-I from Axis Bank</b>					
Sanctioned amount	Rs.450 lakhs				
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705				
Repayment	repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.				
(Rs. in lakhs)					
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2015-16	0	450.00	20.24	45.90	424.34
<b>Term Loan-II from Axis Bank</b>					
Sanctioned amount	Rs.22 lakhs *				
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705				
Repayment	repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.				
	* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.				
(Rs. in lakhs)					
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2015-16	0	19.00	0.71	10.53	9.18

		<b>As at</b>	
		<b>31<sup>st</sup> March, 2016</b>	
		<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
6.	Other Long-term Liabilities		
	Security Deposit	<b>7,948,700</b>	-
			<b>7,948,700</b>
7.	Short-term Borrowings		
	Loan repayable on demand from bank		
	Secured	<b>190,872,003</b>	-
			<b>190,872,003</b>

Rate of interest charged for the working capital borrowing is 12.25% p.a. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai.

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		As at 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	Amt. in Rs.
8.	Trade Payables		
	Micro and Small Enterprises*	11,303,186	-
	Others	97,752,284	-
			<u>109,055,470</u>
	* Micro and Small Enterprises		
	i. Principal Amount Remaining unpaid		11,303,186
	ii. Interest		Nil
	iii. Total of a & b		11,303,186
	iv. Interest in term of sec 16		Nil
	v. Interest due & payable for the period of delay in payment		Nil
	vi. Interest accrued & remaining unpaid		Nil
	vii. Interest due & payable even in succeeding years		Nil
	Note: There are no delayed payments to Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 during the year. Further, there are no dues to such parties which are outstanding for more than 45 days at the Balance Sheet date. This information has been determined on the basis of information available with the company and has been relied upon by the auditors.		
		As at 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	Amt. in Rs.
9.	Other Current Liabilities		
	Unpaid Dividend	1648369	-
	Other payables		
	ESIC	105338	-
	Provident fund	498494	-
	Salary & remuneration	3898721	-
	TDS	1438932	-
	Professional tax	47000	-
	Service Tax	872667	-
	Dividend Payable	2934963	-
	Advances from customers	9528933	-
			<u>20,973,417</u>
	Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end.		
10.	Short-term Provisions		
	Provision for employee benefits		
	Bonus payable	978,520	-
	Ex- Gratia Payable	1,382,214	-
	Gratuity	1,777,667	-
	Leave salary	1,919,130	-
		6,057,531	-
	Provision others		
	Provision for expenses	8,567,593	-
			14,625,124



11. Fixed Assets

Sr. No.	Description	GROSS BLOCK			DEPRECIATION				NET BLOCK			
		As at 01.04.2015	Additions	Deduction/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the Period	Deductions	Other Adjustments	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>Tangible Assets</b>												
1	Land (Leasehold)	1,642,190	-	-	1,642,190	-	-	-	-	-	1,642,190	-
2	Building	38,472,991	-	-	38,472,991	12,262,561	2,704,278	-	-	14,966,839	23,506,152	-
3	Plant & Machinery	294,787,324	240,596	-	295,027,920	260,893,116	5,578,389	-	-	266,471,505	28,556,415	-
4	Furniture & Fixtures	52,784,423	4,008,297	-	56,792,722	11,772,226	5,002,871	-	-	16,775,097	40,017,625	-
5	Office & Other Equip.	13,234,093	5,110,042	-	18,344,135	4,683,458	1,408,414	-	-	6,091,872	12,252,263	-
6	Computers	11,867,258	2,402,924	-	14,270,182	10,426,206	927,727	-	-	11,353,933	2,916,249	-
7	Electrical Installation	11,349,113	3,128,102	-	14,477,215	7,515,538	882,583	-	-	8,398,123	6,079,092	-
8	Vehicles	2,018,681	-	-	2,018,681	689,045	346,332	-	-	1,035,377	983,305	-
		<b>426,156,075</b>	<b>14,889,961</b>	-	<b>441,046,036</b>	<b>308,242,151</b>	<b>16,850,595</b>	-	-	<b>325,092,746</b>	<b>115,953,290</b>	-
<b>Intangible Assets</b>												
1	Software	2,118,561	1,370,346	-	3,488,907	1,158,070	640,712	-	-	1,798,782	1,690,125	-
2	Trademark(Brand)	300,000	-	-	300,000	200,000	100,000	-	-	300,000	-	-
		<b>428,574,636</b>	<b>16,260,307</b>	-	<b>444,834,943</b>	<b>309,600,221</b>	<b>17,591,307</b>	-	-	<b>327,191,528</b>	<b>117,643,415</b>	-
	Previous Year	-	-	-	-	-	-	-	-	-	-	-
	Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
	Intangible Assets Under Development	-	-	-	-	-	-	-	-	2,078,378	-	-

31<sup>st</sup> March, 2016

Amt. in Rs. Amt. in Rs.

12. Deferred tax (liability) / asset

Tax effect of items constituting deferred tax liability

On difference between depreciation as per books & that as per income tax

- -

On expenditure deferred in the books but allowable for tax purposes

925,952.00 -

925,952

Tax effect of items constituting deferred tax assets

On difference between depreciation as per books & that as per income tax

794,555.00 -

Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961

1,384,840 -

Unabsorbed depreciation carried forward

- -

Current year losses

- -

Tax effect of items constituting deferred tax assets

2,179,395

**Net deferred tax (liability) / asset**

**1,253,443**

As at

31<sup>st</sup> March, 2016

Amt. in Rs. Amt. in Rs.

13. Long-term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Capital Advances

2,791,810 -

Security Deposits

41,698,553 -

44,490,363

44,490,363

14. Other Non Current assets

Amortisation of Right Issue Expenses

382,778 -

Preliminary Expenses - Others

1,044,743 -

Pre-operative Expenses not written off

50,729 -

1,478,250

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	As at 31 <sup>st</sup> March, 2016	
	Amt. in Rs.	Amt. in Rs.
15. Current Investments		
Investments Equity Shares of IDBI Bank Ltd (Quoted) [2880 (Including Bonus Shares issues of 1080 shares)] (Aggregate Market Value Rs.2,00,160/- P.Y. Rs.2,04,624/- )	<u>234,000</u>	-
		<u>234,000</u>
16. Inventories (At lower of cost and net realisable value)		
Raw Materials	16,733,537	-
Work in Progress	10,499,734	-
Finished Goods	156,272,461	-
Stock In Trade	43,588,314	-
Stores and Spares	5,490,531	-
Fuel & Oil	<u>156,365</u>	-
		<u>232,740,942</u>
17. Trade Receivables		
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, Considered Good	20,926,583	-
Less: Provision for Doubtful Debts	<u>-</u>	-
		20,926,583
Others		
Unsecured, Considered Good	<u>188,276,436</u>	-
		<u>188,276,436</u>
		<u>209,203,019</u>
18. Cash and Bank Balances		
(i) Cash and Cash Equivalents		
(a) Balances with Banks	1,339,208	-
(b) Cash on Hand	648,895	-
(ii) Earmarked Balances with Banks		
Unclaimed Dividend	<u>1,648,477</u>	-
		<u>3,636,579</u>
		<u>3,636,579</u>
19. Short-term Loans and Advances (Unsecured, Considered Good)		
Loans and advances to employees	364,580	-
Loans and advances to related party		
Prepaid expenses	688,820	-
Balances with government authorities		
Central Excise and Customs	613,906	-
Service Tax receivable	-	-
Sales tax Refund and Set-off	7,538,908	-
Income Tax (Net of provisions)	11,121,306	-
*MAT Credit Entitlement	6,561,567	-
Advances to Suppliers	<u>2,576,682</u>	-
		<u>29,465,769</u>
		<u>29,465,769</u>
*The Company has first time recognised accumulated Mat Credit in the books during the current financial year.		
20. Other Current Assets		
Others		
Receivable in Cash or Kind	<u>11,106,228</u>	-
		<u>11,106,228</u>

# SUDITI INDUSTRIES LTD



	For the year ended 31 <sup>st</sup> March, 2016	
	Amt. in Rs.	Amt. in Rs.
21. Revenue from Operations		
Sale of products (Refer Note (i) below)	893,659,726	-
Sale of services (Refer Note (ii) below)	-	-
Other operating revenues (Refer Note (iii) below)	1,384,761	-
		895,044,487
Revenue from Operations (Gross)		895,044,487
Less: Discount		44,295,191
Less: Excise Duty		430,713
Revenue from Operations (Net)		850,318,583
Notes:		
(i) Sale of products:		
<u>Manufactured Goods</u>		
Knitted Fabrics	384,688,105	-
Garments & Apparels	464,245,717	-
	848,933,822	-
<u>Traded Goods</u>		
Trading Goods	-	848,933,822
(ii) Sale of services:		
Commission	-	-
(iii) Other operating revenues:		
Scrap Sales	1,333,309	-
Duty Drawback	51,452	1,384,761
22. Other Income		
Interest Income from Banks on Deposits	13,345	-
Interest on Income Tax Refund	637,338	-
Other Interest	736,888	-
	1,387,571	-
Dividend Income	2,160	-
Other non operating Income	4,881,069	-
		6,270,799
23. Cost of Materials consumed		
Opening stock	18,849,980	-
Add: Purchases	248,465,343	-
Less: Closing stock	16,733,537	-
		250,581,785
Material consumed:		
Chemicals	52,207,732	-
Dyes	24,103,924	-
Yarn & Fabric	161,172,564	-
Other Raw Materials	13,097,565	-
		250,581,785
24. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the end of the year:		
Finished goods	156,272,461	-
Work-in-progress	10,499,734	-
Stock-in-trade	43,588,314	-
		210,360,509
Inventories at the beginning of the year:		
Finished goods	173,933,864	-
Work-in-progress	12,561,065	-
Stock-in-trade	520,196	187,015,125
		(23,345,384)



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	For the year ended 31 <sup>st</sup> March, 2016	
	Amt. in Rs.	Amt. in Rs.
25. Employee Benefits Expense		
Salaries and wages	73,005,221	-
Contributions to provident and other funds	4,242,420	-
Expense on employee stock option (ESOP) scheme	-	-
Staff welfare expenses	3,861,810	-
		<u>81,109,451</u>
26. Finance Costs		
Interest Expenses on:		
Borrowings	29,062,613	-
Trade Payables	716,668	-
Others	532,078	-
Interest on delayed / deferred payment of income tax		-
Interest on delayed payment of Excise duty		-
Interest on delayed payment of Service tax		-
		<u>30,311,359</u>
27. Other Expenses		
Stores & Spares Consumable	37,896,590	-
Consumption Of Packing Materials	9,876,661	-
Sub Contracting	94,300,192	-
Power & Fuel	56,371,258	-
Water	5,834,597	-
Rent Including Lease Rentals	7,211,736	-
Repair & Maintenance:		-
Building	3,384,614	-
Machinery	2,675,793	-
Others	5,350,321	-
Insurance	531,240	-
Garment Division Expenses	20,422	-
Rates & Taxes	9,441,052	-
Communication	2,888,929	-
Travelling & Conveyance	5,523,689	-
Printing & Stationery	1,241,893	-
Sales Commission	11,212,222	-
Business Promotion Expenses	1,630,737	-
Discount on Sales	138,586,298	-
Royalty	8,378,810	-
Donations & Contributions	-	-
Legal & Professional	8,018,420	-
Statutory Auditors Remuneration	520,975	-
Transportation Charges	8,637,654	-
Bank Charges, Commission & Others	563,886	-
Advertisement Expenses	401,582	-
Motor Car Expenses	1,580,853	-
Security Charges	3,972,007	-
Registrar & Transfer Expenses	135,850	-
Subscription & Membership	108,353	-
Sundry Balance W/Off	18,103	-
Prior Period Expenses	259,254	-
Deferred Tax Assets W/Off	-	-
Amortisation of Share issue expenses	382,779	-
Loss on sale of fixed assets	-	-



Establishment Management Fees	5,466,880	-
Preliminary Expenses - W/Off	203760	-
Pre Operative Expenses- Others	102840	-
Miscellaneous Expenses	3,639,640	-
		<u>436,369,889</u>
<b>28. Auditors' Remuneration</b>		
Statutory Audit Fees	377,850	-
Tax Audit Fees	143,125	-
Other Services	-	-
		<u>520,975</u>
		<b>For the year ended 31<sup>st</sup> March, 2016</b>

<b>29. Proposed Dividend</b>	
Proposed Dividend (Amt. in Rs.)	2,934,963
Number of shares outstanding as at the end of the year	
Promoter group	12,481,500
Non-Promoter group	4,192,803
Dividend per Share (Rs. per Equity Share of Rs. 10 each)	0.70

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has recommended a Dividend of Rs.0.70 per share exclusively on the share capital held by the public for the year ended 31st March, 2016. The promoters have waived their entitlement of receiving dividend in order to support the business activities of the company.

**30. Employees' Stock Option Plan 2011**

The Company instituted the Employee Stock Option Plan – ESOP 2011 to grant equity based incentives to its eligible employees in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP-2011 ("The Scheme") had been approved by the Board of Directors of the Company at their meeting held on 30th Sept, 2011 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on 2nd Sept 2011, to grant 9,60,000 options, representing one share at par for each option upon exercise by the employee of the Company determined by the Board/Compensation Committee. The Scheme covers grant of options to the specified permanent eligible employees of the Company and also to non-executive directors of the Company including independent directors. Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company. Out of this, 97600 options were not accepted.

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, the total options are divided on certain prescribed basis spread over a period of 5 years and accordingly the same will vest in the employee every year. The Option grantee must exercise all vested options within a period of five years from the date of granting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time within the said period of five years and the shares arising on exercise of such options shall be subject to a lock-in period of 1 year from the date of allotment. There has been no exercise of the options vested in the employees as at year end.

The status of options granted to the Employee during the year is set out below:-

Particulars	Grant of Options
Date of Grant	31/1/2013
Market price on date of grant of the options (per share) (A)	7.68
Face value (per share) (B)	10
Exercise Price - higher of (A) or (B)	10
Expected life of the option granted	5
Options Granted (Nos.)	350800
Options Lapsed (Nos.)	97600
Options Forfeited (Nos.)	0
Options Vested and exercisable at the end of the period (Nos.)	97750
Options Exercised (Nos.)	0
Options Expired (Nos.)	0
Options Outstanding at the end of the period (Nos.)	155450
Mode of settlement	Equity
<b><u>Graded vesting schedule</u></b>	<b><u>Percentage of options granted</u></b>
1st Anniversary of the Grant Date	10%
2nd Anniversary of the Grant Date	15%
3rd Anniversary of the Grant Date	20%
4th Anniversary of the Grant Date	25%
5th Anniversary of the Grant Date	30%

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The estimated fair value computed as prescribed by an independent valuer on the basis of Black Scholes pricing model for each stock option granted is within the range of Rs.10.00 to Rs.16.11 per option. Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2016 would have been higher by Rs.15,74,753/- had the Company followed the fair valuation method for accounting the options issued. On proforma basis the Company's basic and diluted earnings per share would have been Rs.0.69 and Rs.0.68.

	Unit	For the year ended 31 <sup>st</sup> March, 2016	
		Quantity	Amt. in Rs.
31. Consumption of Raw, Stores & Spares and Packing Materials			
Chemicals			52,207,732
Dyes			24,103,924
Yarn & Fabric	Kgs	689,535	167,405,665
Other Raw Materials			13,097,565
Stores & Spares			38,447,126
Packing Materials			9,876,661
			<u>305,138,673</u>
			For the year ended 31 <sup>st</sup> March, 2016
		%	Amt. in Rs.
Imported		0.21	570,748
Indigenous		99.81	304,567,925
		<u>100.02</u>	<u>305,138,673</u>

Notes:

- (a) The above details of consumption consists of Raw materials which are consumed directly for manufacture of finished product and other items which are indirectly related to manufacture of finished products, i.e. stores, spares and packing materials.

	Unit	As at 01 <sup>st</sup> April, 2015	
		Quantity	Amt. in Rs.
32. Opening Stock			
1. Yarn	Kgs	42,079	7,909,104
2. Grey fabric	Kgs	24,390	4,725,932
3. Chemicals			1,569,588
4. Stores, Spares & Other items			7,726,057
5. Packing Materials			706,318
6. Dyes			2,706,432
7. Stock in trade	Pcs	2,962	520,196
8. Work in Progress	Kgs	14,761	10,072,216
	Pcs	36,089	2,488,875
9. Finished Goods			
Finished Fabric	Kgs	240,718	70,923,562
Finished Garments	Pcs	329,188	103,010,302
			<u>211,838,386</u>
			For the year ended 31 <sup>st</sup> March, 2016
		Quantity	Amt. in Rs.
33. Sales			
1. Processed Fabric	Kgs	2,965,828	391,112,991
2. Ready Made Garments	Pcs	1,067,696	154,908,050
3. Garments & Apparels (Retail Division)	Pcs	328,489	354,297,316
4. Trading Sales - Fabric & Others	Mtrs	-	-
			<u>900,318,357</u>
34. Purchases of Stock-in-Trade			
1. Purchases - Fabric & Others	Mtrs	414,702	39,298,825
			<u>39,298,825</u>

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		As at 31 <sup>st</sup> March, 2016	
		Quantity	Amt. in Rs.
35.	Closing Stock		
1.	Yarn	Kgs	40,981      7,609,235
2.	Grey fabric	Kgs	16,428      3,071,580
3.	Chemicals		1,661,746
4.	Stores, Spares & Other items		7,605,816
5.	Packing Materials		646,190
6.	Dyes		1,785,867
7.	Stock in trade	Kgs	108,287      43,588,314
		pcs	-      0
8.	Work in Progress	Kgs	10,900      8,968,675
		pcs	188,602      1,531,059
9.	Finished Goods		-      -
	Finished Fabric	Kgs	139,243      11,333,460
	Finished Garments	Pcs	364,529      144,939,002
			<u>232,740,943</u>
			For the year ended 31 <sup>st</sup> March, 2016
		Quantity	Amt. in Rs.
36.	CIF Value of Imports		
	Components and Spare Parts		570,748
	Capital Goods		-
37.	Expenditure in Foreign Currency		
	Travelling		505,390
	Others		1,103,438
38.	Earnings in Foreign Exchange		
	FOB Value of Exports		1,014,903
39.	Forward Contracts and Unhedged Foreign Currency Outstanding Balances		
	The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2016 are as under:		
	(a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:		
		As at 31 <sup>st</sup> March, 2016	
		Amount in	Amount in
		Foreign Currency	Rupee
	Receivables		
	US Dollar	-	-
	Payables #		
	# There is no amount payable in foreign currency outstanding as on 31st March, 2016.		
40.	Employee Benefits		
	The company has classified various employee benefits as under:		
	(A) Defined Contribution Plans		
	The company has recognised the following amounts in the Statement of Profit and Loss for the year:		
		For the year ended 31 <sup>st</sup> March, 2016	
		Amt. in Rs.	
	(i) Contribution to Provident Fund	2,445,573	
	(ii) Contribution to Employees' State Insurance Scheme	700,729	
	(B) Defined Benefit Plan		
	Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:		

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		For the Year ended 31 <sup>st</sup> March, 2016	
		Leave Encashment	Gratuity
(a)	Discount Rate (per annum)	7.45%	7.45%
(b)	Rate of increase in Compensation Levels	5.00%	5.00%
(c)	Rate of Return on Plan Assets	N.A	8.35%
		For the Year ended 31 <sup>st</sup> March, 2016	
		Leave Encashment	Gratuity
		Amt. in Rs.	Amt. in Rs.
(i)	Changes in the Present Value of Obligation		
(a)	Opening Present Value of Obligation	1,920,310	4,941,508
(b)	Interest Cost	144,784	339,905
(c)	Past Service Cost	-	-
(d)	Current Service Cost	397,579	887,776
(e)	Benefits Paid	(128,207)	(1,167,502)
(f)	Actuarial (Gain)/Loss	(415,336)	862,946
(g)	Closing Present Value of Obligation	1,919,130	5,864,633
(ii)	Changes in the Fair Value of Plan Assets		
(a)	Opening Fair Value of Plan Assets	-	3,622,207
(b)	Expected Return on Plan Assets	-	331,629
(c)	Actuarial Gain/(Loss)	-	8,011
(d)	Employers' Contributions	-	1,292,621
(e)	Benefits Paid	-	(1,167,502)
(f)	Closing Fair Value of Plan Assets	-	4,086,966
		For the Year ended 31 <sup>st</sup> March, 2016	
		Leave Encashment	Gratuity
		Amt. in Rs.	Amt. in Rs.
(iii)	Amount recognised in the Balance Sheet		
(a)	Present Value of Obligation as at the year end	1,919,130	5,864,633
(b)	Fair Value of Plan Assets as at the year end	-	4,086,966
(c)	(Asset)/Liability recognised in the Balance Sheet	1,919,130	1,777,667
		For the Year ended 31 <sup>st</sup> March, 2016	
		Leave Encashment	Gratuity
		Amt. in Rs.	Amt. in Rs.
(iv)	Expenses recognised in the Statement of Profit and Loss		
(a)	Current Service Cost	397,579	887,776
(b)	Past Service Cost	-	-
(c)	Interest Cost	144,784	339,905
(d)	Expected Return on Plan Assets	(415,336)	(331,629)
(e)	Net Actuarial (Gain)/Loss	-	854,935
	Total Expenses recognised in the Statement of Profit and Loss	542,363	1,750,987

**NOTE:**

- i. Leave Encashment liability is determined by an independent actuary and relevant provisions are made in the books of account. The payment towards the liability is made by the company as and when the employee becomes eligible to claim the encashment.
- ii. The liability towards gratuity is determined by an independent actuary and the relevant amounts towards gratuity liability is paid by the company to the "Suditi Employees Group Gratuity Trust". The said Trust administers the scheme.

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		<b>For the year ended 31<sup>st</sup> March, 2016</b>
		<b>Amt. in Rs.</b>
41. Segment Information		
(A) Information in respect of Primary Segments Refer Note (a) below		
(B) Information in respect of Secondary Segments		
(I) Segment Revenue		
India		856,279,102
Other Countries		<u>1,014,903</u>
		<u>857,294,005</u>
(II) Carrying Amount of Segment Assets		
India		668,223,655
Other Countries		<u>0</u>
		<u>668,223,655</u>
(III) Capital Expenditure		
India		16,260,307
Other Countries		<u>0</u>
		<u>16,260,307</u>
Notes:		
(a) The primary reporting of the company is based on the business segment. The company has no substantial amount of business in other segment except manufacturing of knitted hosiery fabrics and readymade garments.		
(b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated in to two segments namely India and Other Countries for the purpose of reporting geographical segments.		
(c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2.		
(d) In the opinion of the Company it is not practicable to provide segmentwise disclosure relating to the Capital Employed as it cannot be bifurcated between segments considering the nature of production facilities which are common and combined for all the segments.		
42. Related Party Disclosures		
Related parties with whom the company had transactions during the year		
a) Key Management Personnel		
1. Mr.Pawan Agarwal - Chairman and Managing Director		
2. Relatives of Key Management Personnel:		
1. Mr.Kishorial Agarwal (Father - Late)		
2. Mr.Anand Agarwal (Brother)		
3. Mr.Rajendra Agarwal (Brother)		
4. Mrs.Pramila Agarwal (Wife of Anand Agarwal)		
5. Mrs.Shalini Agarwal (Wife of Pawan Agarwal)		
b) Enterprises under Common control of the Promoters		
1. BLR Knits Pvt. Ltd.		
2. Intime Knits Pvt. Ltd.		
3. Black Gold Leasing Pvt. Ltd.		
4. R. Piyarellal Pvt. Ltd.		
5. Suditi Design Studio Ltd		
6. Suditi Sports Apparel Ltd		
Disclosure of transactions between the company and related parties		
		<b>For the year ended 31<sup>st</sup> March, 2016</b>
		<b>Amt. in Rs.</b>
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal		
		<u>1,814,920</u>
		<u>1,814,920</u>
b) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.		
		12,892,913
2. BLR Knits Pvt. Ltd.		
		234,348
3. Suditi Design Studio Ltd.		
		6,424,886

## Twenty-Fifth Annual Report 2015 - 2016

b)	Purchase of Goods		
1.	Intime Knits Pvt. Ltd.		1,651,079
2.	BLR Knits Pvt. Ltd.		-
c)	Payment for Services Received		
1.	Intime Knits Pvt. Ltd.		237,347
2.	Black Gold Leasing Pvt. Ltd.		14,588,702
3.	R. Piyarellal Pvt. Ltd.		1,376,455
4.	BLR Knits Pvt. Ltd.		-
d)	Balance Outstanding as at the year end		
1.	BLR Knits Pvt. Ltd. (Receivable)		-
2.	Intime Knits Pvt. Ltd. (Net Receivable)		-
	Intime Knits Pvt. Ltd. (Net Payable)		7,366,586
3.	Black Gold Leasing Pvt. Ltd. (Deposits Receivable)		30,381,466
4.	Black Gold Leasing Pvt. Ltd. (Net Payable)		-
5.	R. Piyarellal Pvt. Ltd. (Payable)		159,553
43.	Leases		
(I)	Disclosures for Finance Leases		
	The company has not entered into any finance lease arrangement during the year.		
(II)	Disclosures for Operating Leases		
	Disclosures in respect of Premises taken on lease.		
			<b>For the year ended</b>
			<b>31<sup>st</sup> March, 2016</b>
			<b>Amt. in Rs.</b>
(a)	Lease payments recognised in the Statement of Profit and Loss		7,211,736
(b)	Significant leasing arrangements		
	The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
i)	Terms of Leases		3 - 9 year
	(Renewal of lease terms after first 3 years)		
ii)	Incremental / Escalation rate after every 3 years term		12% - 15%
ii)	Terms of cancellation		
	(By issuing notice varying from 1-3 months subject to locking period or on expiry of the term of agreement)		
(c)	Future minimum lease payments under non cancellable agreements		
(i)	Not later than one year	-	-
(ii)	Later than one year and not later than five years	-	-
(iii)	Later than five years	-	-
44.	Earnings per Share		
	Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:		



	<b>For the year ended 31<sup>st</sup> March, 2016</b>	
Profit for the year (Amt. in Rs.)	<u>12,998,648</u>	
Weighted average number of Shares for Basic Earnings per Share	<u>16,674,303</u>	
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	<u>97,750</u>	
Weighted average number of Shares for Diluted Earnings per Share	<u>16,772,053</u>	
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	0.78	
Diluted	0.78	
	<b>As at</b>	
	<b>31<sup>st</sup> March, 2016</b>	
	<b>Amt. in Rs.</b>	<b>Amt. in Rs.</b>
45. Contingent Liabilities		
(a) Claims against the company not acknowledged as debts		
(i) Sales tax matters	16,029,051	
(ii) Excise matters	-	
(iii) Income tax matters	-	
	<u>16,029,051</u>	
(b) Bond/Guarantee given to any Government Department or Corporation		
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	16,910,924	
	<u>16,910,924</u>	
Note:		
(i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.		
(ii) Similarly in respect of Item (b)(i) the Liability may vary depending up to the scheme if any allowed or permitted at the time of redemption or settlement of the licence which may included interest and other penalties/levies.		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).		
46. The previous period figures are not provided as this is the first year of presentation of the Consolidated figures.		
Signatures to Notes 1 to 46		
In terms of our report of even date	For and on behalf of the Board	
For <b>Chaturvedi &amp; Co.</b> Chartered Accountants (Firm Registration No.302137E)	<b>Pawan Agarwal</b> Chairman & Managing Director	<b>Sushil Kumar Kasliwal</b> Director
	<b>Vivek Gangwal</b> Director	<b>Manoj Khemka</b> V.P.Accounts & Commercial
<b>(S.N.Chaturvedi)</b> Partner (Membership No.040479) Mumbai, 30 <sup>th</sup> May, 2016	<b>H.Gopalkrishnan</b> V.P.Finance & Company Secretary Mumbai, 30 <sup>th</sup> May, 2016	



Twenty-Fifth Annual Report 2015 - 2016

Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year 2015-16.

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<b>Parent:</b>				
Suditi Industries Limited	100.63%	267,992,164	112.84%	14,667,288
<b>Subsidiaries:</b>				
Indian:				
1. Suditi Sports Apparel Limited	0.19%	500,000	0.00%	-
2. Suditi Design Studio Limited	2.63%	7,011,955	-12.99%	(1688045)
Foreign:				
Minority Interests in all subsidiaries	-0.07%	(180,595.00)	0.15%	19,405.00
<b>Associates</b> (Investment as per the equity method)				
Indian				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Foreign:				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Joint Ventures (as per proportionate consolidation/investment as per the equity method)				
Indian				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Foreign:				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Eliminations	-3.38%	(9,000,000)	0.00%	-
	<b>100.00%</b>	<b>266,323,524</b>	<b>100.00%</b>	<b>12,998,648</b>

## SUDITI INDUSTRIES LTD



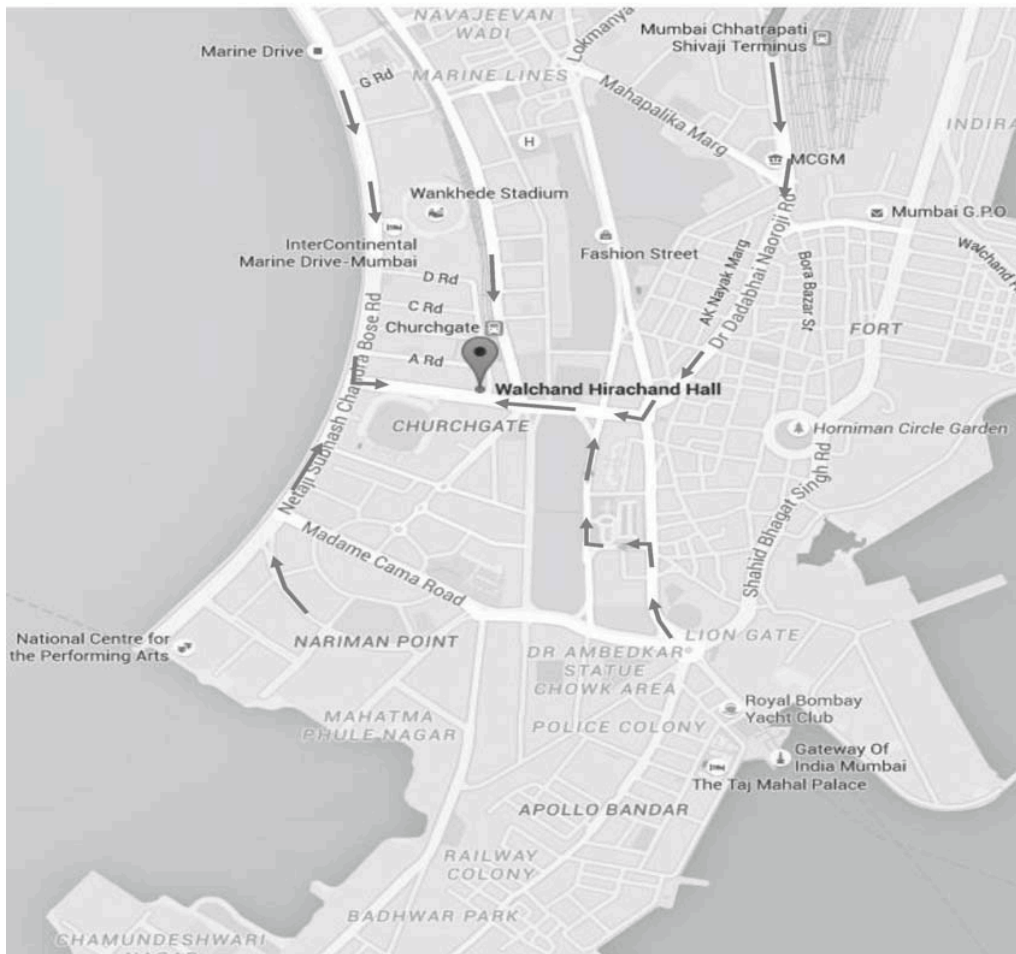
### ROUTE MAP TO VENUE OF THE TWENTY FIFTH ANNUAL GENERAL MEETING OF SUDITI INDUSTRIES LIMITED

**VENUE** : WALCHAND HIRACHAND HALL, 4TH FLOOR, LALJI NARANJI MEMORIAL INDIAN MERCHANTS' CHAMBER BUILDING TRUST (IMC BLDG.), CHURCHGATE, MUMBAI - 400 020.

**DATE** : 30<sup>TH</sup> SEPTEMBER, 2016

**DAY & TIME** : FRIDAY, 3.30 P.M.

**LAND MARK** : NEAR CHURCHGATE STATION (WEST SIDE)



**SUDITI INDUSTRIES LIMITED**

**CIN:** L19101MH1991PLC063245  
**Registered Office:** A-2, Shah & Nahar Indl. Estate,  
 Unit No.23/26, Lower Parel, Mumbai - 400 013.  
**Factory & Admn. Office:** C-253/254, MIDC,  
 TTC Industrial Area, Turbhe, Pawne Village,  
 Navi Mumbai - 400 703.  
**Tel:** 67368600/10 **Fax:** 27683465  
**E-mail:** cs@suditi.in **Website:** www.suditi.in

**Form No.MGT-11  
Proxy Form**

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

Name of the member(s): \_\_\_\_\_  
 Registered address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Folio No./Client ID: \_\_\_\_\_  
 DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above name company,  
 hereby appoint:

1. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or falling him
2. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or falling him
3. Name \_\_\_\_\_ Address \_\_\_\_\_  
 E-mail ID \_\_\_\_\_ Signature \_\_\_\_\_ or falling him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Fifth Annual General Meeting of the Company, to be held on Friday the 30<sup>th</sup> September, 2016 at 3.30 p.m. at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust (IMC Bldg.), Churchgate, Mumbai - 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Financial Statements and Directors' Report for the year ended 31 <sup>st</sup> March, 2016.		
2.	Approval of dividend on the portion of the Equity Shares held by the public for the year ended 31 <sup>st</sup> March, 2016.		
3.	Re-appointment of Smt. Sanjula Sanghai as a Director, who retires by rotation and, being eligible, offers herself for re-appointment.		
4.	Re-appointment of M/s. Chaturvedi & Co., Chartered Accountants as Statutory Auditors and fixing their remuneration.		
<b>Special Business</b>			
5.	To consider and approve the modifications in the Suditi Employees Stock Option Plan 2011 in respect of "clause 7.3 of Grant of options" and "clause 9.1 of vesting of options".		
6.	To consider and approve for keeping Index of Members, debenture holders and other security holders if any, the Register of members and other related transfer registers or memorandum of transfers/transmissions together with the copies of the certificates, share certificates and other documents required to be annexed thereto, of the Company at the office of the Registrar and Share Transfer Agent of the company and to allow inspection as required under the Act.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of shareholder(s): \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

Please  
Affix  
Revenue  
Stamp

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**SUDITI INDUSTRIES LIMITED**

**CIN:** L19101MH1991PLC063245  
**Registered Office:** A-2, Shah & Nahar Indl. Estate,  
 Unit No.23/26, Lower Parel, Mumbai - 400 013.  
**Factory & Admn. Office:** C-253/254, MIDC,  
 TTC Industrial Area, Turbhe, Pawne Village,  
 Navi Mumbai - 400 703.  
**Tel:** 67368600/10 **Fax:** 27683465  
**E-mail:** cs@suditi.in **Website:** www.suditi.in

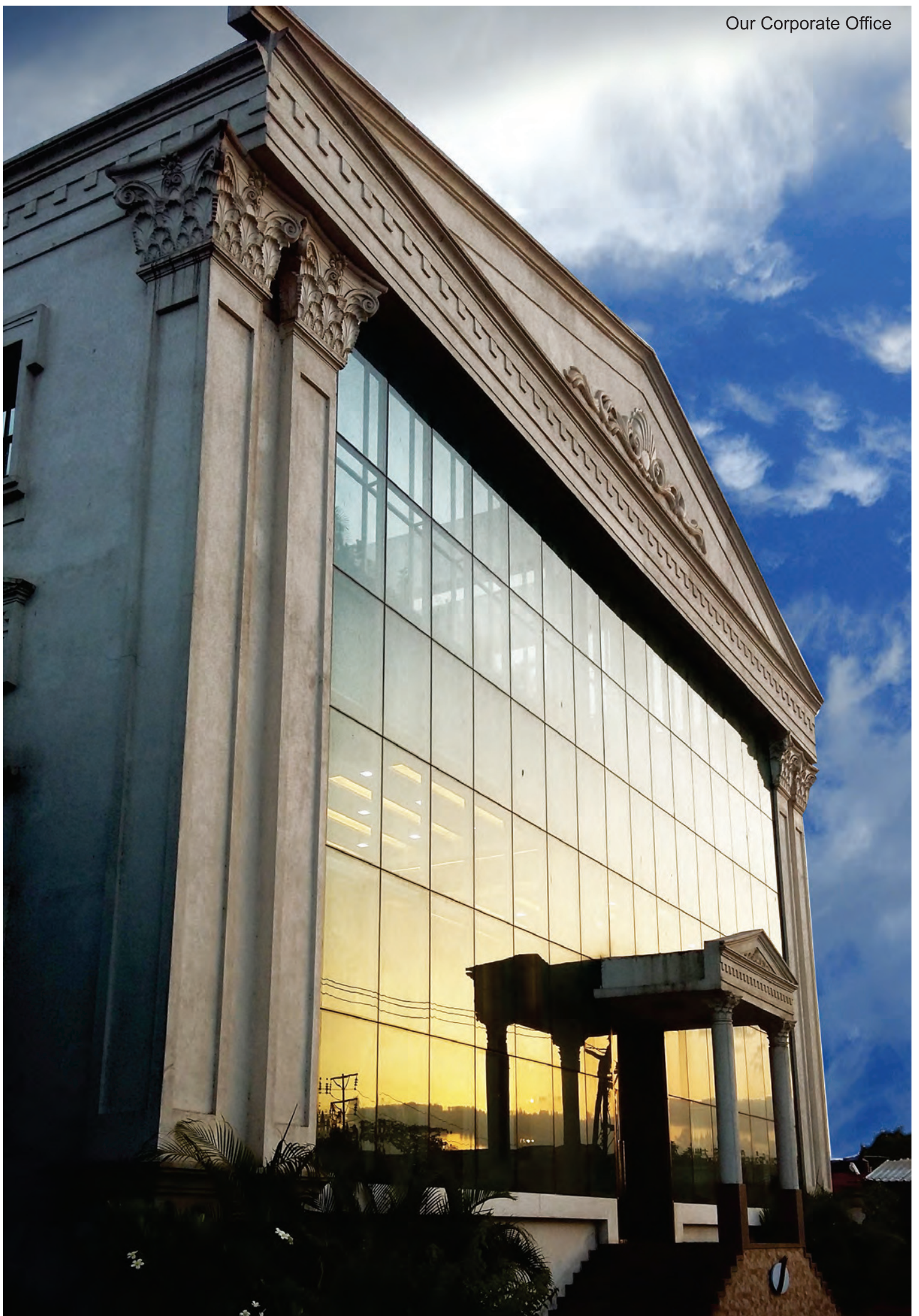
**ATTENDANCE SLIP**

Name of the Shareholder/Proxy: \_\_\_\_\_  
 Registered address: \_\_\_\_\_  
 Email ID: \_\_\_\_\_  
 Folio No./Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_

I hereby record my presence at the Twenty Fifth Annual General Meeting held at Walchand Hirachand Hall, 4<sup>th</sup> Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust (IMC Bldg.), Churchgate, Mumbai - 400 020 on Friday the 30<sup>th</sup> September, 2016 at 3.30 p.m.

\_\_\_\_\_  
 Signature of the Shareholder/Proxy

**Note:** Please complete this Attendance Slip and hand it over at the Entrance of the Meeting Hall. Shareholders may kindly note that no Gift will be distributed at the AGM.



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If undelivered please return to:



**SUDITI INDUSTRIES LTD.**

Factory & Admin Office: C-3 B, MIDC, T.T.C. Industrial Area  
Pawne Village, Behind Savita Chemicals  
Navi Mumbai 400 705

Tel: +91 22 67368600/10 Fax: +91 22 27683465  
Email: [admin@suditi.in](mailto:admin@suditi.in) Website: [www.suditi.in](http://www.suditi.in)