



Suditi Industries Ltd.



24th **ANNUAL REPORT** 2014 - 2015

APPAREL LICENSEE FOR



FCBARCELONA



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

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

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),

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TWENTY FOURTH ANNUAL GENERAL MEETING

Tuesday the 29th September, 2015, 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



NOTICE FOR THE TWENTY FOURTH ANNUAL GENERAL MEETING:

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Tuesday the 29th September, 2015 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, 2015 and the statement of Profit & Loss Account of the Company for the financial year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon:

2. To declare a dividend on the portion of the Equity Shares held by the public for the financial year ended 31st March, 2015.

3. 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, 2016 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:

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

"RESOLVED THAT pursuant to provisions of section 161 of the Companies Act, 2013 ("The Act") and rules made there under, Smt. Sanjula Sanghai (DIN No: 00049344) who was appointed as an additional director of the company by the board of directors with effect from 31.03.2015 and whose term of office expires at the date of this Annual General Meeting and being eligible for appointment, in respect of whom the Company has received Notice in writing under Section 160 of the Act, from a member proposing her candidature for the office of Director be and is hereby appointed as an Non-executive Director who is liable to retire by rotation at the Annual General Meeting."

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

"RESOLVED THAT pursuant to the provisions of Sections 149,152, and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri. Pawan Agarwal Chairman and Managing Director who is seeking confirmation of his re-appointment as Managing Director in this meeting, also vacates office as liable to determination by retirement of directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as Director of the company."

6. **Re-appointment of Managing Director:**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and all guidelines for managerial remuneration issued by the Central Government from time to time and subject to such approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Shri Pawan Agarwal, as Managing Director, for a period of 5 (five) years with effect from 1st February, 2015, with liberty to either party to terminate the appointment on three months' notice in writing to the other and to his receiving remuneration, payments, perquisites and amenities from that date as given below:

The Managing Director shall be paid the following remuneration: The Managing Director shall be paid Salary, Commission and perquisites restricted to 5% of the net profits of the company for any financial year.

- (a) Salary: Rs.175000/- per month.

In the event of inadequacy of profits or loss in any particular financial year comprised in the period of appointment, the maximum salary payable shall be Rs.175000/- per month. Under such circumstances, no commission would be payable.

- (b) Perquisites: The following perquisites shall be allowed in addition to salary and commission.

1. Company's contribution towards Provident Fund as per the rules of the Company but not exceeding 12% of the salary.
2. Encashment of Leave at the end of the tenure as per the company rules.
3. Gratuity not to exceed half months salary for each completed year of service or part thereof.

In addition to above the Managing Director shall be entitled to claim reimbursement of expenses incurred exclusively for the business purposes or promotion of the business activities of the company or incurred on behalf of the company in the normal course of the business."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized from time to time to amend, alter or otherwise vary the terms and conditions of the re-appointment of Shri Pawan Agarwal including remuneration, provided that such remuneration shall not exceed the maximum limits for payment of managerial remuneration as may be admissible to him within the overall limits specified in the Act, as existing or as amended, modified or re-enacted from time to time by the Government of India, as the Board of Directors of the Company may deem fit;"

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable, in order to give effect to this resolution."

7. 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 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement as may be in force from time to time and subject to such approvals, consents, sanctions and permissions as may be necessary, the members of the Company do hereby ratify and accord their approval to all contracts/agreements/arrangements whether existing or to be entered into by the Company in future from time to time with the following parties."

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Name of the Related Party	Nature of Relationship	Particulars of Contract	Period	Likely Amount of transaction per annum (in Rs.)
Intime Knits Pvt. Ltd.	Company in which Directors are Interested	Sale of products & services. Purchase of fabrics & services.	2015-16 to 2019-20	4 crores (Approx)
Black Gold Leasing Pvt Ltd	Company in which Directors are Interested	Service agreement executed with the company for office & estate management.	2015-16 to 2019-20	2 crores (Approx)
R.Piyarell Pvt. Ltd.	Company in which Directors are Interested	Sales & receipt of Job work service	2015-16 to 2019-20	50 lacs (Approx)
BLR Knits Pvt. Ltd.	Company in which Directors are Interested	Sales & receipt of Job work service	2015-16 to 2019-20	30 lacs (Approx)
Suditi Design Studio Ltd.	Subsidiary Company	Sale of Fabrics & Finished Garments	2015-16 to 2019-20	4 crores (Approx)
Suditi Sports Apparel Ltd.	Subsidiary Company	Sale of Fabrics & Finished Garments	2015-16 to 2019-20	8 crores (Approx)

RESOLVED FURTHER THAT following points be noted and approved w.r.t aforesaid contract:

- (i) The contract is competitive, at arm's length price, without conflict of interest and not less advantageous to as compared to similar contracts with other parties.
- (ii) The company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon and has filed its up to date Balance Sheets and Annual Returns with the Registrar of Companies.
- (iii) All factors relevant to the contract have been considered as mentioned above.
- (iv) There are no advance payments made or received in respect of above transactions.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised 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 any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

8. 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 14 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Incorporation) Rules 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft Articles of Association which are available for public inspection at the registered office of the company be and are hereby approved and adopted in substitution, and to the entire exclusion, of the existing Articles of Association of the Company;"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard;"

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised 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 : 29/05/2015

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 2014-15, the Board has recommended a dividend at the rate of Rs.0.50 per Equity Share of the company, exclusively on the portion of the equity capital held by the public as on 31st March 2015.
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. A proxy form for AGM is enclosed.
The business set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are sent along with the Notice.
3. The relevant details in respect of Item No.4 & 5 pursuant to clause 49 of the Listing agreements with the Stock Exchanges are annexed hereto.
4. The Register of members and the Share Transfer Books of the Company will remain closed from Tuesday the 22nd September, 2015 to Tuesday the 29th September, 2015 (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.

Details of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement)



Name of Director	Smt. Sanjula Sanghai	Shri Pawan Agarwal
Date of Birth	17.06.1967	19.12.1965
Date of Appointment	31.03.2015	12.09.1991
Expertise in specific Functional areas	Smt Sanjula Sanghai has wide experience in administration of business & marketing of Textile & other articles.	Shri Pawan Agarwal has around three decades of experience in the finance, marketing & other related matters particularly with reference to manufacture and export of garments.
Qualifications	Graduate	A graduate in Commerce
Directorships held in other companies (Excluding Foreign Companies)	Provincial Housing & Property Ltd. Cipolin Investments Private Ltd. Lifeline Micro Processors Pvt. Ltd. Citer Holdings Pvt. Ltd. White Rose Finvest Pvt. Ltd.	R. Piyarellal Pvt. Ltd. Intime Knits Pvt. Ltd. Black Gold Leasing Pvt. Ltd.
Committee position held in other companies	NIL	NIL
No. of Shares held	NIL	12090700

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.4 to 8 of the accompanying Notice dated May 29, 2015:

Item No.4:

The Board of Directors of the company at their meeting held on 31st March 2015 appointed Smt.Sanjula Sanghai as an additional director of the company. Smt. Sanjula Sanghai represents the board as women Director. In terms of section 161 of the Companies Act 2013 ("the Act") Smt. Sanjula Sanghai will hold office upto date of this Annual General Meeting. Her details are separately stated in the disclosure under clause 49 of the listing agreement annexed herewith. Smt. Sanjula Sanghai has disclosed that she does not hold any shares in the company. Smt. Sanjula Sanghai is not disqualified from being appointed as Director in terms of section 164 of the Act. The company has received a notice in writing from a member along with a deposit of requisite amount as specified in the Act proposing the candidature of Smt. Sanjula Sanghai for the office of Director of the company.

None of the Directors or key Managerial personnel of the company and their relatives other than Smt. Sanjula Sanghai (being the appointee) are concerned or interested financially or otherwise.

The Board recommends the Ordinary resolution set out at item no.4 of the Notice for approval by the members.

Item No.5 & 6:

At present the Board consists of four members who include two independent Directors, one additional Director and Managing Director who is also the Chairman of the Board. Therefore at present there are only two members who are liable to retire by rotation. Since additional Director holds the office upto the date of this Annual General Meeting, she needs to be re-elected as Director as stated in item no.4 above. Hence Chairman & Managing Director offered to retire at this Meeting and seeks re election in this Annual General Meeting. Further the Board in its meeting held in the month of February 2015, has re-appointed Shri. Pawan Agarwal as Managing Director with effect from 1st February 2015 on expiry of his term. As per section 196 and other applicable provisions of the Companies

Act 2013 ("the Act") the appointment and the terms of appointment needs to approved by the members in this Annual General meeting. Further Shri Pawan Agarwal apart from seeking re-election as a Director as set out in the item no 5 of the Notice also seek re-appointment as Managing Director as per the term as set out in the item no.6 of the notice convening the 24th Annual General Meeting.

Shri. Pawan Agarwal is not disqualified from being appointed as Director in terms of section 164 of the Act. Shri. Pawan Agarwal holds 12090700 (72.511%) shares in the company.

The given particulars of his appointment and remuneration as set out at item no 5 & 6 of the Notice may be treated as an abstract pursuant to section 190 of this Act. The copy of draft letter of appointment shall be made available for inspection by the members as stated at item no.9 of notes to the Notice calling the 24th Annual General Meeting.

Shri Pawan Agarwal aged about 50 years holds graduate degree in commerce with around 3 decades of experience in marketing and production of garments. The details are separately stated in the disclosure under clause 49 of the listing agreement annexed herewith.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Shri. Pawan Agarwal (being the appointee) and his promoter group of shareholders, is in any way, concerned or interested, in the resolution set out at item no.5 & 6 of the Notice.

The Board recommends the Ordinary resolution set out at item no.5 & 6 of the Notice for approval by the members.

Item No.7:

The company has undertaken transaction with related parties as stated in the details provided below on "Arms Length" basis not prejudicial to the interest of the company. The transaction executed so far are within the limits specified as stated in the Directors report. However since the company has started two subsidiary companies, the business with related parties may exceed the threshold limit as the company would be undertaking supply of fabrics and finished garments at market rates or on "Arms Length" basis to the subsidiaries also. Under section 188 of the Companies Act, 2013 (the Act), and revised provisions of clause 49 of the

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Sl. No.	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction	Period
1.	Intime Knits Pvt. Ltd.	Company in which Directors are Interested	Sale of products & services Purchase of fabrics & services	Sale of Goods - Rs.17838102/- Purchase of Goods - Rs.480173/- Payment for Services Received - Rs.82240/-	During the year 2014-15
2.	Black Gold Leasing Pvt Ltd	Company in which Directors are Interested	Service agreement executed with the company for office & estate management.	Payment for Services Received - Rs.13308082/-	3 years During the period 2013 to 2015
3.	R.Piyarellal Pvt. Ltd.	Company in which Directors are Interested	Sales & receipt of Job work service.	Payment for Services Received - Rs.3404180/-	During the year 2014-15
4.	B.L.R. Knits Pvt. Ltd.	Company in which Directors are Interested	Sales & receipt of Job work service	Sale of Goods - Rs.1462357/- Purchase of Goods - Rs.269677/- Payment for Services Received - Rs.957/-	During the year 2014-15

Listing Agreement sanction of the shareholders is required for enabling the Board of Directors to undertake related party transactions beyond a particular limit. Even though the transactions entered by the company are within the threshold limit of 10% of Annual gross turnover and the terms are at "Arms Length" basis, the company as a matter of abundant precaution seeks the approval of the members by way of special resolution granting permission to the Board to carry out the transactions beyond the threshold limit of 10% including those undertaken by the company so far. The company now proposes to obtain the approval of the members for ratifying as also for giving approval to the Board of Directors or its duly constituted committee.

Shri. Pawan Agarwal and his relatives as well as promoter group of shareholders is interested in the said resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Shri. Pawan Agarwal (being the appointee) and his promoter group of shareholders, is in any way, concerned or interested, in the resolution set out at item no.7 of the Notice.

The board recommends the resolution under item no.7 for approval of the members.

The members may please note that as per the listing agreement, the related parties as defined thereunder will need to abstain from voting on the resolution under item no.7.

Item No.8:

The existing Articles of Association (AoA) of the company are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific provisions of the companies Act, 1956.

With the introduction of new Companies Act, 2013 w.e.f. 1st April 2014 several articles of the existing AoA of the company require alteration or deletion. In the light of the above, the Board of Directors of the company considers it expedient to replace the existing AoA by a new set of Articles.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are in any way, concerned or interested, in the resolution set out at Item No.8 of the Notice except to the extent of their shareholding and outstanding employee stock options in the company.

The board recommends the resolution under item no.8 for approval of the members.

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai
Dated : 29/05/2015

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



SHAREHOLDER INSTRUCTIONS FOR E-VOTING

VOTING THROUGH ELECTRONIC MEANS - INSTRUCTIONS

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, 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 Fourth Annual General Meeting to be held on Tuesday the 29th September, 2015 at 3.30 p.m. The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

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 22nd September, 2015.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Saturday the 26th September, 2015 (9.00 a.m. Indian Standard Time) and ends on Monday the 28th September, 2015 (5.00 p.m. Indian Standard Time)**. 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 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any

company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
DOB	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • 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)

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(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.

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant 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) **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 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.
 - 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 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.
- (xix) 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, under help section or write an email to 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 22nd September, 2015.
- (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 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.



DIRECTORS' REPORT:

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Fourth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2015 and the Profit and Loss Account for the year ended on that date.

Financial Results: (Rs. in Lakhs)

Particulars	Current Year Ended 31.03.2015	Previous Year Ended 31.03.2014
Export Sales	29.99	40.83
Local Sales	6960.00	6166.55
Other Income	57.18	23.61
Gross income	7047.17	6230.99
Profit before Interest and Depreciation	565.24	429.05
Finance Cost	250.24	213.34
Profit after Finance Cost	315.00	215.71
Depreciation	194.27	119.89
Profit / (Loss) before Tax	120.73	95.82
Provision for Tax	23.05	18.50
Profit / (Loss) after Tax before extra ordinary items	97.68	77.32
Extra Ordinary Items*	(3.56)	-
Net Profit	94.12	77.32
Add: Brought forward from the previous year	832.27	779.93
Transfer to General Reserve	-	-
Amount available for appropriation	926.39	857.25
Proposed Dividend	20.97	21.35
Tax on Proposed Dividend	4.19	3.63
Balance carried to Balance Sheet	901.23	832.27

* Refer appropriations in the Reserves and Surplus

Dividend:

In order to promote the growth of the company as well as to fulfill the aspirations of the 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 2014-15. Accordingly the Board after considering all these aspects has recommended a dividend for the year under review at the rate of Rs.0.50 per Equity Share only on the portion of the paid up equity capital held by the public as on 31st March 2015. No amount has been transferred to General Reserve from the profits for the year 2014-15.

Operations:

There is substantial improvement in the overall performance during the year under review in comparison to previous year. The company has achieved an increase of around 13% in the sales figures and around 26% in the net profits before tax in comparison to previous year. However the growth in the sales of the Retail division barring sales under FIFA licentiate rights is lower than anticipated for the year and consequently the company had to absorb 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 Macro economic conditions in the country have shown signs of recovery and optimistic throughout the year. However the situations continued to remain grim all over the world barring few countries. This does not augur well for the textile and garment sector which depends maximum on export

sales for their revenue. But timely initiatives taken by government, value addition by many units as well as reasonably stable price ranges prevailed over a long period during the year has given a major boost in the demand for goods in the domestic market. This has helped the company to achieve growth in the sales except in the retail division where the company needs to give further thrust in the development of product ranges as well as the market network.

The company continued the revamping task undertaken in the previous year in order to strengthen the operations of the Retail division to make it a profitable business. Many unviable outlets were discontinued including the outlets opened under Large Format Stores (LFS) models like Reliance/Maya etc. In its place the company has started new counters through other LFS like Wall Mart, Shoppers Stop, Lifestyle and Arvind Megamart. Another major step taken by the company during the year is the expansion of 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. The company has also plans to expand 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 matter with DGFT office to resolve the matter at the earliest.

Export Sales:

The overall export performance for the year is not as per the estimates made by the company. This is mainly due to prevailing unfavorable economic and market conditions for clothing and other apparels in the European market and other parts of the world. Hence the company continued to remain focused maximum in the local market. The exports were mainly sent in the form of finished fabrics to neighboring countries like Bangladesh. The company is exploring the possibility of increasing 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 continues its efforts to find 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 objective of the company is to achieve the target of exporting 50% of its capacity to the overseas customers with better value addition. Further efforts are continued to align with some reputed brands in the overseas market to promote the exports in large volume.

The company continues to follow the business promotion programme by taking active participation in various international Fairs/ exhibitions as well as selling garments by using the brand and logos of some important sports events. The company has executed new agreements with some reputed football clubs in Europe to enhance the scope of the sales. As India is better placed than other competitors in the global markets, the prospects are good in terms of better unit value realization and volume. The company has developed better products particularly in the printed and embroidery varieties as there is better scope for increasing the volume based business on regular basis. In view of these, company continues to follow its plans to increase the exports business in sizable volume in the future.

FIFA 2014 (Foot Ball World Cup - Brazil):

As stated in the last year the company had developed and produced wide range of garments with FIFA brand LOGOS embossed on the garments by using licentiate rights acquired for India. The overall response was encouraging though this was one of the first attempts by any company in India. Even for the company this was the first experience and the outcome was encouraging. In view of this the company has now executed fresh new agreements with other reputed football clubs.

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Expansion:

As stated in the last year, the management has not undertaken any new projects during the year under review. Accordingly there will not be any major expansion plan for some period except addition of some balancing equipments and replacement of old machineries and equipments. The remaining portion of the retail expansion plan as proposed in the Rights issue offer documents will be undertaken gradually over a period of time in the next few years depending upon the market conditions.

Human Resources & Industrial Relations:

The Company treats its "human resources" as one of its most important assets. The Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company 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 any 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.

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 the date of allotment. The two parts of the grant has been vested till the date of 31st March 2015. The details are as follows:

Granted		Accepted		Rejected		Vested
No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)	No of Employees (Nos.)	Total options	Upto second part of Grant
48	278700	18	219500	30	59200	58075

The disclosure of the details is as follows:-

- (a) Options granted & Accepted; 219500
- (b) The pricing formula; At par
- (c) Options vested; 58075
- (d) Options exercised; Nil
- (e) The total number of shares arising as a result of exercise of option; Nil
- (f) Options lapsed; 59200
- (g) Variation of terms of options; NA
- (h) Money realised by exercise of options; Nil
 - (i) Total number of options in force; 219500
 - (j) Employee wise details of options granted to:-
 - (i) Senior managerial personnel; 206000
 - (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

(k) 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. Based on the options vested EPS is Rs.58/.

(l) 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.970433/- and accordingly on proforma basis the company's basic and diluted earnings would have been Rs.0.59 and Rs.0.58 respectively.

(m) 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

(n) 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, 8.52%
- (ii) Expected life, 5 years
- (iii) Expected volatility, 4.72%
- (iv) Expected dividends, Rs. 0.50 per share
- (v) The price of the underlying share in market at the time of option grant.] Rs.7.68

Meetings:

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year six 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.

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The details have been explained 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 is enclosed as **Annexure II**. 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 III**).
- 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 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 above rules.
- 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 only during the month of March 2015 and the subsidiaries are yet to commence their business operations. The subsidiaries have obtained the commencement approval from the Registrar of companies-Maharashtra only in the month of April 2015 and other necessary legal formalities are yet to be obtained for commencing the business operations. Hence there are no details pursuant to sub-section (3) of section 129 of the Act, to be given in the statement containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures.

Name of the company	Capital as on 31.3.2015		Share held by	Date of	
	Authorised	Subscribed		Suditi	Incorporation
Suditi Sports Apparel Ltd.	Rs.50 Lakhs	Rs.5 Lakhs	Rs.4 lakhs	18.03.2015	04.04.2015
Suditi Design Studio Ltd.	Rs.50 Lakhs	Rs.5 lakhs	Rs.4 lakhs	23.03.2015	04.04.2015

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 & 161 as well as Rule 3 of The Companies (Appointment and Qualification of Directors) Rules, 2014, the company has appointed Smt. Sanjula Sanghai as additional Director to represent as Women Director on the Board. As an Additional director she holds office upto the date of Annual General Meeting and seek re-election to the Board in the forthcoming Annual General Meeting. Further Shri. Pawan Agarwal,

Chairman & Managing Director retire by rotation at the forthcoming Annual general meeting and being eligible offer himself for reappointment. Shri. Pawan Agarwal Chairman & Managing Director whose term as Managing Director expired on 31st January 2015 has been reappointed as Managing Director with effect from 1st February 2015 by the Board subject to approval of members in the forthcoming Annual General Meeting. Further the company is in the process of appointing a Chief Financial Officer (CFO) to take over the functions of CFO which hitherto is 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 had been followed along with proper explanation relating to material departures;
- ii) That the Directors had 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 had 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, had 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 were adequate and operating effectively.

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 Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

Cost Audit:

The Company has appointed M/s. NNT & Co, (Reg. No. 100911), Cost Accountants as the Cost Auditor to audit the cost records maintained by the Company for the year 2014-15. However in view of the new Companies (Cost Records & Audit) Rules 2014 and amendment thereof, the management is of the view that the company is now out of the purview of the Cost Audit Report Rules. In view of this, the company has not appointed any Cost Auditor for the year 2015-16.

Auditors:

Pursuant to Section 139 of the Companies Act, 2013 M/s. Chaturvedi & Co., (ICAI Firm Registration No.302137E) Chartered Accountants had been appointed as the Statutory Auditors of the Company at AGM held on 12th September 2014 to hold office till the conclusion of the AGM to be held in the calendar year 2017 subject to ratification by the members at each annual general meeting. Accordingly the resolution proposing ratification of appointment of M/s. Chaturvedi & Co. as statutory auditors of the company for financial year 2015-16, pursuant to Section 139 of the Companies Act, 2013 is annexed and forms part of the notice of annual general meeting.

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Secretarial Audit Report:

In terms of Section 204 of the Act and Rules made there under, Shri. Shivhari Jalan Practising Company Secretary has 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 comments other than the explanation given on the appointment of Chief Financial Officer.

Internal Audit & Controls:

The Company has engaged SGCO & Co as its Internal Auditor. During the year, the Company continued to implement their suggestions and 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.

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 IV**.

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.

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. 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:

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	Investment in subsidiary	16/01/2015	NA	10%
2	01/04/15	Suditi Design Studio Ltd.	4 lakhs	Investment in subsidiary	16/01/2015	NA	10%

Particulars of contracts or arrangements with related parties:

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 Annexure V.

Obligation of company under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act 2013:

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any woman employee. Accordingly the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

Corporate Social Responsibility (CSR):

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company.

Transfer of Amounts to Investor Education and Protection Fund:

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF). Pursuant to the provisions of the Investor Education 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 (12.09 2014), with the Ministry of Corporate Affairs.

Listing with Stock Exchange:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16 to BSE where the Company's Shares are listed.

Appreciation:

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.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29.05.2015

PAWAN AGARWAL
CHAIRMAN & MANAGING DIRECTOR



Annexure I

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 31st March 2015.

Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(a) Conservation of Energy:

Energy conservation is emphasized as an important and crucial task for the development of any country. The company has attached significant importance to all the energy conservation measures practiced in the industry and takes all possible measures to implement the plan all over the manufacturing units.

(i)	the steps taken or impact on conservation of energy	The company has continued 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 in the process of studying 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.

(b) Technology absorption:

(i)	the efforts made towards technology absorption	There are no significant efforts made during the year other than monitoring the various developments that unfolds 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.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(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

(c) Foreign exchange earnings and Outgo:

(Rs. in Lakhs)

Particulars	Current Year (2014-15)	Previous Year (2013-14)
Total Foreign Exchange used	65.26	78.93
Total Foreign Exchange earned (FOB Value)	43.02	32.84

For and on behalf of the Board of Directors

Place: Mumbai

PAWAN AGARWAL

Date: 29.05.2015

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. Corporate Governance is a way of directing and controlling companies. 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.

Board of Directors:

The Board is constituted in accordance with the various provisions of the Companies Act including amendments from time to time and the listing requirement of the Bombay Stock Exchange Ltd. 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	3
Other Non-Executive Directors	0
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.

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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	4	--	--
Shri Sushil Kumar Kasliwal	16.06.2003	Non-Executive	Yes	1	--	--
Shri Vivek Gangwal	16.06.2003	Non-Executive	Yes	2	--	--
Smt Sanjula Sanghai	31.03.2015	Non-Executive	Yes	6	--	--

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.

Responsibilities and role of Independent Directors:

The Board assumes responsibility for a wide range of activities including those laid down by various statutes & provisions with a greater emphasis on providing strategic direction to the Company towards achieving its goal. The Independent directors play a very significant role in the implementation of Corporate Governance policies and practices. They enrich the Board with their vast experience and knowledge. During the meetings, they take active part in the deliberations and play important role particularly in the functioning of various 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 Clause 49 of Listing Agreement. The Board is apprised and informed

of all important matters relating to the business of the Company including those listed in Annexure-1A of clause 49 of the listing agreement. 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 with relevant notes/explanations are circulated in advance to enable the Board to discharge its responsibilities effectively and take informed decisions.

Six Board Meetings were held during the year. 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
27/05/2014	3	3
12/08/2014	3	3
13/11/2014	3	3
16/01/2015	3	3
11/02/2015	3	3
31/03/2015	4	3

Name of Director	Attendance at the Board Meetings held on						Attendance at the AGM held on 12th September 14
	27/05/2014	12/08/2014	13/11/2014	16/01/2015	11/02/2015	31/03/2015	
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Shri Sushilkumar Kasliwal	Yes	Yes	Yes	Yes	Yes	No	Yes
Shri Vivek Gangwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Smt Sanjula Sanghai	N.A.	N.A.	N.A.	N.A.	N.A.	Yes	N.A.

Details of Directors being appointed/re-appointed:

During the year under review, Smt. Sanjula Sanghai has been inducted to the Board as additional director and seeks re-election as per the provisions of the Companies Act 2013. Shri. Pawan Agarwal Chairman & Managing Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Further the Board on the expiry of his term on 31st January 2015, has re appointed Shri. Pawan Agarwal as Managing Director with effect from 1st February 2015, subject to the approval of the members in the forthcoming Annual General Meeting.

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, as amended from time to time and Section 177 of the Companies Act, 2013.



Brief Description and terms of reference:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending to the Board, the appointment, re-appointment, and if required, the re-placement or removal of the statutory auditor and the fixation of audit fees;
- 3) Approval of payments to the statutory auditors for any other services rendered by them;
- 4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause 134(5)(c) of the Companies Act 2013;
 - b) Significant changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgments by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions;
 - g) Qualifications in the draft Audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.). The statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditors' independence and performance and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;

- 13) Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
- 14) Discussion with Internal Auditors, Cost Auditors etc., any significant findings and follow up thereon;
- 15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for any substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- 19) Approval of appointment of CFO (i.e., Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc of the candidate;
- 20) Undertake any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also analyses and reviews the following information:

1. Management discussion and analysis Report of financial condition and results of operations;
2. Detailed statement of significant related party transactions (as defined by the Audit Committee), submitted by Management;
3. Management letters/ letters of internal control weaknesses issued by the Statutory Auditors;
4. Internal Audit reports/Cost Audit observations relating to internal control weaknesses;
5. The appointment, removal and terms of reference of the chief internal auditor/internal audit firm shall be subject to review by the committee.

Audit Committee meetings are regularly attended by Statutory Auditor, Cost 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			
		27/05/2014	12/08/2014	13/11/2014	11/02/2015
Shri. Vivek Gangwal	Non-Executive	Yes	Yes	Yes	Yes
Shri. Sushilkumar Kasliwal	Non-Executive	Yes	Yes	Yes	Yes
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 23rd Annual General Meeting held on 12th September 2014.

Remuneration Committee:

Remuneration committee is constituted by 3 members of the Board and Shri. Sushil Kumar is the Chairman of the committee. Shri. Vivek Gangwal and Smt. Sanjula Sanghai are the other

members of the committee. The 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 inter alia Succession planning of the Board of Directors and Senior Management Employees; Identifying and selection of candidates

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for appointment as Directors / Independent Directors based on certain laid down criteria; Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions; Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration. Further the company has also set up a Compensation Committee to administer the SUDITI ESOP PLAN 2011. The Compensation Committee is constituted with the same 3 Directors as its members and Shri. Vivek Gangwal is the Chairman of the committee. The committee has met once during the year under review to finalize the vesting of the options to employee covered under SUDITI ESOP PLAN 2011.

During the year under review the committee met twice in May 2014 and January 2015. The Committee had reviewed the re-appointment and the elements of remuneration payable to the Chairman & Managing Director and accordingly recommended to the Board the reappointment of Shri. Pawan Agarwal as the Managing Director for a term of 5 years with effect from 1st February 2015 on such terms and conditions as laid out in the notice calling the 24th Annual General Meeting.

Details of Remuneration to the Directors during the financial year ended 31st March 2015:

Name of the Director	Salary	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri Pawan Agarwal	1600000	231420	-	-	1831420
2. Shri Sushilkumar Kasliwal	-	-	7500	5000	12500
3. Shri Vivek Gangwal	-	-	9000	5500	14500
4. Smt. Sanjula Sanghai	-	-	1500	500	2000

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 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, the committee met 26 times and the details are given below.

	No. of Meetings attended During the year	Attended all the Meeting
Shri Sushilkumar Kasliwal	23	No
Shri Vivek Gangwal	26	Yes
Shri Pawan Agarwal	26	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. Details of Shareholders complaints, compliance officer etc. are separately indicated in the Shareholders information attached herewith and forms part of this report.

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

Review 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.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on January 16, 2015, 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, 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.



Terms of Re-appointment & remuneration - CEO & CMD

Shri Pawan Agarwal CMD & CEO with effect from February 1, 2015

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 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 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
23 rd	2013-14 September 12, 2014 at 3.30 p.m.	Walchand Hirachand Hall, 4th floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai - 400 020.
22 nd	2012-13 September 06, 2013 at 3.30 p.m.	
21 st	2011-12 September 14, 2012 at 4.00 p.m.	

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

There were two special resolutions and two ordinary resolutions under special business passed in the twenty third Annual General meeting. Further there was one resolution passed as ordinary resolution under special business in the twenty first Annual General meeting. 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 contains general shareholder information including inter-alia, shareholding pattern, distribution of shareholding, and information about the share prices during the year at the Bombay Stock Exchange, in accordance with the provisions of the listing agreements is sent well in advance to each and every shareholder, stock exchanges and to the respective financial institutions. The quarterly and Annual Results etc. are also available in the Company's website.

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 24th 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

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reviewed the related party transactions as mandatory required under clause 49 of the listing agreement and found them materially not significant. The detail report of the same is provided as Annexure V 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 except in case of providing depreciation on the fixed assets in view of change in the useful lives of the assets as prescribed in the schedule II of the Companies Act 2013. The significant accounting policies which are consistently applied have been set out in the "Notes to the Financial Statements".
- 3) 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.

General Shareholder Information:

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

Auditors Certificate on Corporate Governance:

Certificate from Statutory Auditors in respect of the compliance with the requirements of code of corporate governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, Mumbai 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 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 composition of the Risk Management Committee as at March 31, 2015 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 12/8/2014 & 16/01/2015
Shri. Pawan Agarwal	Chairman & Managing Director	Present
Shri. Vivek Ganagwal	Director	Present
Shri. Sushilkumar Kasliwal	Director	Present
Shri. Manoj Khemka	V.P. (Commercial & Accounts)	Present
Shri. R. Chinraj	President	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 said clause 49 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 UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

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

- I have reviewed the financial statement and cash flow statement for the year ended 31st March, 2015 and to the best of my knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - 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.
- 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.
- 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.
- I have indicated to the Auditors and the Audit Committee:
 - Significant changes, if any, in internal controls during the year.
 - 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
 - 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.
- 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).
- All the Directors and Senior Management Personnel have confirmed compliance with the code of conduct/ethics for the year ended 31st March 2015.
- 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 31st March 2015, as approved by the Board.

SUDITI INDUSTRIES LIMITED

Place: Mumbai
Date: 29.05.2015

PAWAN AGARWAL
CMD & CEO/CFO



NON-MANDATORY REQUIREMENTS

1. The Company has constituted a Compensation Committee and the details are already provided in the Corporate Governance Report.
2. 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.
3. 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.
4. 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.
5. Audit Qualifications - There is no qualification stated by Statutory Auditor in his Audit Report.

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:

The last year has been a fortuitously good one for the Indian economy with a sea change in the macroeconomic parameters and a sustainable turnaround on the cards. At a time when concerns have been raised about global growth prospects, the Indian economy has marched on and has in fact entered a sweet spot. As a start, Gross Domestic Product (GDP) growth, which had plummeted to sub 5% levels in past two fiscal years, finally seems to have picked up on the back of a cyclical rebound and some genuine improvement. Growth in the current year, while not spectacular, has moved up firmly into the 5%+ handle. From 4.5% in the 2013 fiscal year, the growth rate jumped up to 6.9% for the 2014 fiscal, as the country's central statistics office changed the way of computing the GDP by changing the base year, and adding some more components. This improvement has come on the back of improved performance in the industrial sector, stable growth in the services sector and a surprisingly resilient agriculture sector. Further, policy action on the environmental clearances and mining licenses has helped prop up sentiment while a push to some stuck projects has aided growth prospects. Encouragingly, the pick-up in growth seems to be taking place at a time when inflation is on the downtrend as effects of the past slowdown and the massive fall in global commodity prices is filtering through the economy. Price levels have seen an across the board moderation as food, fuel and service price inflation has come down. This clearly shows that there is still some slack in the economy as it grows below its potential rate of growth. This moderation in inflation has also had an impact on interest rates as the Reserve Bank of India (RBI) has finally started its rate cutting cycle with its first rate cut in January earlier this year. Contrary to the growth prospects of the Indian economy, growth outlook for the global economy experienced downward revision by the International Monetary Fund (IMF). The downward revision has taken place on account of several factors such as contraction of growth prospects in China, Russia, Japan and the Euro area as well as the recent drop in oil prices affecting the oil exporting economies. Although the drop in global oil prices is a shot in the arm for the global economy, negative factors such as

investment weakness as well as diminished expectation about growth prospects in the medium-term are expected to outweigh this advantage. But in spite of these global factors, in the coming year, the country will be able to witness massive investment in infrastructure, development of new smart cities and significant changes in the manufacturing sector through make in India campaign as well as some big bang reforms. The textile being one of the selected sectors in the list of industries for make in India campaign, there will be a major thrust on this sector in the form of incentives for investment and exports. This will be an encouraging factor for our company to develop and prosper in the coming years.

Significant Financial Events of the Year:

During the year the Company has recorded profit of Rs.120.73 lakhs before tax in comparison to Rs.95.82 lakhs pertaining to corresponding previous year. There is some improvement in the profit levels due to increase in the sales turnover in comparison to previous year. However the growth in the profit as well as in sales is not as per the projections estimated for the year 2014-15. This is mainly because of lower sales in the retail business than anticipated due to slack demand conditions persisted for long 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. Therefore the company had to take some important measures to improve the operational viability of the Retail outlets of the company. In this context the important measures taken are rationalization of the Retail outlets and counters by closing down all unviable outlets. In the place of closed outlets the company has opened new counters to improve the retail sales performance. During the year the company had undertaken the sales of products manufactured by using the FIFA logos acquired under licentiate rights. This being the first venture, the company has taken this venture as launching pad for undertaking such activities in the future. Accordingly the company has executed agreements with other reputed renowned football clubs like Manchester City and Real Madrid etc. Further in order to promote the sale of garments exclusively under this venture, the company has incorporated separate subsidiary in the name of Suditi Sports Apparels limited, which will take over this division and develop the business of selling apparels by using the licentiate rights acquired from these sports clubs. Similarly the company has also now started selling specialised garments and apparels with ethnic design and pattern. The company has also set up another subsidiary in the name of Studio Design Studio Limited to look after the business of selling specialised garments.

The performance of the process house and the garment unit continue to remain very stable and satisfactory in spite of fluctuations in the demand from various customers. The performance of the Printing unit is slowly improving and the operations are now closely monitored to ensure there are no production and quality problems in the unit. Further during the year under review, the company has changed the method of providing depreciation and depreciation is charged as per the provisions of the new Companies Act 2013. Accordingly an amount of Rs.3.56 lakhs is charged to Reserves & Surpluses account. After considering all these factors, the board has decided to maintain the dividend @ Rs.0.50 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 textile industry holds significant presence in Indian economy. The size of the industry is currently estimated to be over \$120 billion. It contributes around 14% in industrial production, 4% of the country's GDP and 12% of the country's merchandise exports. Further, the industry which accounts for 21% of the total employment generated in the economy, contributes to around 8%

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of the total excise revenue collection. Around 35 million people are directly employed in the textile manufacturing activities. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million. The industry today is challengingly poised at the crossroads of growth. It has grown over the centuries to become the second largest textile manufacturer in the world after China. In terms of raw material, labour and machine productivity and optimizing the cost of production, the Indian textile industry has shown sustained improvement over the last few decades. There are many tailwinds favoring India. Among the major competing nations, China is losing its competitive edge in textiles. Similarly non compliance factors in Bangladesh, labour unrest in Cambodia, higher cost of credit in Vietnam, and appreciation of Indonesian currency are further contribute to the growth of India's textile exports. Nevertheless, Indian textile Industry has the potential to double itself in size over the next 6-7 years, if it continues to focus on value addition, improved efficiency, modernization and integrated operations.

The 'Make in India' campaign covering 25 sectors, including the textile and garment industry, has been unveiled by the Prime Minister in the presence of big names from the corporate world of India and abroad at a ceremony in New Delhi. The 'Make in India' scheme also puts in place the logistics and systems to address in a timely manner queries of potential investors. At Present, the Government of India allows 100% foreign direct investment (FDI) under the automatic route in the textile sector, subject to all applicable regulations and laws, which effectively backs the Make in India program for the textile and garment industry. Under the 'Make in India' initiative, investment opportunities for foreign companies and entrepreneurs are available across the entire value chain of synthetics, value-added and specialty fabrics, fabric processing set-ups for all kinds of natural and synthetic textiles, technical textiles, garments, and retail brands. This is an encouraging factor for any unit in the industry.

There are positive drivers which indicate future growth opportunities. There is plenty of cotton with a good potential for higher yield. There is the chance to produce yarn instead of exporting cotton. There is growing export as well as domestic market demand. The Government supports modernization of the industry with a particular focus on closing the gaps in the textile value chain. To convert the potential into reality, the country first of all needs entrepreneurs who are willing to invest. The Government has taken several measures to create those positive impulses. The industry waits for the proposed reforms in labor law, support to develop a skilled work force and programs to bind talents to be able to translate market needs into quality products.

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. India is one of the largest exporters of Yarn in international market and contributes around 25% share of the global trade in Cotton Yarn. The Apparel Industry is one of largest foreign revenue contributor and holds 12% of the country's total export. Industry has large and diversified segments that provide wide variety of products. The growing economy and potential domestic and International Market are providing a big opportunity to the industry. Further industry has in built manufacturing flexibility that helps to increase the productivity in all levels of process.

However in spite of all these, the Industry has some inherent weakness. The Indian Textile Industry is highly Fragmented Industry with high dependent on Cotton. The Productivity in various segments is very low compared to international standards. The Decline in the Mill Segment and lack of technological development that affect the productivity and other activities in whole value chain is another adverse factor to the growth of the industry. The Infrastructural bottlenecks and efficiency such as, Transaction Time at Ports and transportation time along with unfavorable labor laws 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. There is a threat in the traditional market for power loom and handloom products forcing them for product diversification. Geographical disadvantages, international labor and environmental Laws affect the productivity and other activities in whole value chain.

The company monitors and analyses all these emerging opportunities while keeping a close 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 regularly involves in the development new product range for the Retail business to expand the scope of existing business levels. The company has now set up exclusive subsidiaries to develop the new business plans like selling apparels linked with some sports events, as well as apparels with ethnic designs and patterns. The company has initiated steps to develop the garments and fabric production with more product ranges to meet the requirements of reputed brand from the domestic and international markets. Since the company is known as the quality manufacturer of fabrics and garments, it is well placed to take substantial advantage of this opportunity as the country is gaining important position in the global textile market as a global manufacturing hub.

Industry Structure & Development :

The Indian textile and apparel industry is one of the leading industries of the Indian economy. The growth and all round development of this industry has a direct bearing on the improvement of Indian economy. The textile and apparel industry plays an important role through its contribution to industrial output, employment generation and the export earnings of the country. Now the developed countries like the USA, countries of the European Union and Japan have emerged as consuming countries while developing countries like India, China and Bangladesh are producing countries. For the development and to boost the textile and apparel industry, the Indian Government has been supporting the textile industry through various policies and incentives from time to time. In the Union Budget 2014-15, the Central Government has allocated Rs.2300 crore for TUFs and Rs.240 crore towards integrated textile parks which will help the textile industry to grow at a faster pace. According to some reliable report on 2014, the expected slower annual GDP growth in the advanced economies is directly impacting the consumption of textile and apparel products, hence reducing its demand. On the other hand, the expected higher GDP growth of the developing countries has led to an increase in purchasing power of consumers, favoring the growth in textile and apparel consumption in these countries. Indian textile industry has performed extremely well during the year under review. The strong performance across different segments of the industry is evident from the strong domestic production as well as exports. It is expected that same trend will continue as Chinese exports are slowing down on account of various factors which include increase in domestic demand and rising input costs. China is losing its strength as low cost manufacturing country, which will help India to become a textile power house. As a measure of growing interest



in the Indian textiles and apparel industry, number of reputed houses has opened their sourcing/liasion office in India. India's textile and apparel industry is expected to grow at a CAGR of 9% from the market size of US \$ 95 billion in 2013 to reach a market size of US \$ 226 billion by the end of 2023. This is an indicator for the growth of Indian textile and apparel industry to increase its share in the global market.

As for India's position in the global textile value chain, the numbers are impressive: India hosts roughly 25 per cent of the global spinning capacity. And, because of the TUF program in the recent past, the age structure of this capacity is relatively young - that means productivity. India produces 20 per cent of global cotton supply both for domestic use and for export. The industry has a complex structure marked by presence of large scale production units as well as small scale independent units. The industry is manufacturer driven with spinning having large scale operations and the retailing as the weakest link. Among the few countries India is the one which has a presence across the entire value chain of the Textile and Apparel Industry. Textile, in the early days a versatile basic necessity now turns into a luxury brand having a long value chain, where some are direct actors of the chain and others are non value chain actors, which are also equally important. The industry is vertically-integrated across the value chain and extends from fibre to fabric to garments. Further it is a highly-fragmented sector, and comprises of many small-scale, non-integrated spinning, weaving, processing and cloth manufacturing enterprises. The textile industry of India operates largely in the form of clusters and the organized units are mostly independent and small scale in nature unlike the composite units that undertake all activities together. Industry operators are increasingly moving towards modernization and expansion as encouraged by the so-designated Textile Up gradation Fund Scheme implemented by Government.

The Textile sector needs a long term road-map for sustainable growth and increasing competitiveness across each node of the textile value chain. It is a necessity to have an integrated policy, since as a country we need to move forward with higher value addition in exports. We are quite a geographically diverse country with different skill sets developed in each cluster. We have about 113 clusters - each one of them brilliant in a few product groups. National Textiles Policy should provide such a roadmap and stable policy framework for the sector. The strategy should be to exploit our strengths and increase exports in new markets such as Latin American countries, Eastern European Countries, Middle East. With China's Textile and Garment export growth rate projected to slow down in the next 10 years due to rising cost of production and increasing domestic demand, the export space that would be ceded by China would be open for other Asian countries including India to grab.

The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. The industry is moving towards a modern concept of retailing. The size of India's retail market was estimated at US\$ 435 billion in 2010. Of this, US\$ 414 billion (95% of the market) was traditional retail and US\$ 21 billion (5% of the market) was organized retail. India's retail market is expected to grow at 7% over the next 10 years, reaching a size of US\$ 850 billion by 2020. Traditional retail is expected to grow at 5% and reach a size of US\$ 650 billion (76%), while organized retail is expected to grow at 25% and reach a size of US\$ 200 billion by 2020. The Indian retail sector accounts for 22 per cent of the country's gross domestic product (GDP) and contributes to more than 8 per cent of the total employment. India continues to be among the most attractive investment propositions for global retailers. However the sector also experiences certain short comings like shortage of skilled manpower, Lack of industry status, Policy induced barriers - Organized retail in India is managed

by both the Ministries of Commerce & Consumer Affairs. While the Ministry of Commerce takes care of the retail policy, the Ministry of Consumer Affairs regulates retailing in terms of licenses and legislations. There is a need to govern retail operations through a single apex body. A single agency can take care of retail operations more effectively, especially with regard to addressing the grievances of retailers. The development of the retail sector can take place at a faster pace if a comprehensive legislation is enacted. Finally the Real estate factor - Lack of sophisticated retail planning is another major challenge the sector faces.

The Company takes note of these developments and changes in the structure of the business in the industry. The company evaluates regularly all these developments and takes necessary measures to ensure that the company operates within the industry with adequate 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 has also taken some important marketing method to establish itself in the manufacture and sale of apparels specially designed with some sports event and sports promotion campaigns and clubs. The company has also taken some important steps to develop the retail business by forming separate subsidiaries with exclusive business 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 development of 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:

Overall there is substantial improvement in the sales as also in profits in comparison to the last year. However the performance of the Retail division is not as per the anticipated levels for the year. Similarly the export sales are also on the lower side due to sluggish market conditions in the Europe & other markets. Even the demand conditions in the domestic market were not very conducive for growth. Hence the company could not register higher profits and the incidence of higher finance cost has further eroded the overall profitability.

(Rs.in Lakhs)

	2014-15	2013-14	Percentage Change
Local Sales	6960.00	6166.55	12.87
Export Sales	29.99	40.83	(26.55)
Other Income	57.18	23.61	142.19
Total:	7047.17	6230.99	13.10

The Company has taken some concrete measures to develop the Retail business and to improve the profitability levels. The first and foremost step taken by the company is to close down all the unviable business outlets and counters and start new outlets in its place to increase the profitability. New business models are now introduced like selling garments by using logos or brands related with some sports events and sports clubs particularly related to football games as well as increasing the company's presence in the online sales platforms etc. Hence the company is expecting substantial improvement in the profitability as well as in the sales for the current year 2015-16.

Earnings per share:

The Company's earning per share for 2014-15 is Rs.0.59 as against Rs.0.46 per share during 2013-14.

Investments:

The Company continues to hold investment of 2880 Nos. of

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equity shares of IDBI Bank Ltd., in the Demat form. In addition to this the company has also subscribed to the Equity capital of both the subsidiaries by taking 4000 shares (@ face value of Rs.10/- each) separately in each subsidiary.

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 31st March 2015 is 1.28.

Human Resources:

The company always emphasizes the importance of the human resources and their role in the growth of any organization. The Productivity based incentive scheme, in-house training and orientation programme are followed in the company as they are very helpful in improving the productivity. 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:

The global clothing scenario, where the textile export market stands today is worth more than \$800 billion and it is still growing every year. As a result of the globalization the textile trade has become highly demanding and evolving the requirements for outsourcing in textiles. Costs remain the driving factor in the post- quota world but now the advantage will be greater as retailers are bound to raise the bar higher on the responsiveness and flexibility from their suppliers. A variety of fabrics are used worldwide in different applications such as apparel, household textiles and furnishings, medical equipment, industrial and technical products. Recent studies have highlighted that fabric weaving alone expends around 28 million tons of fibre every year. Because of the sheer size and significance of the industry, the risks and concerns of the industry is also very important. The term risk management is applied in a number of diverse disciplines by people such as the field of statistics, economics, psychology, social, sciences, biology, engineering, toxicology, system analysis, operational research, decision theory to name few have been addressing the field of risk management. Risk has been defined as the combination of likelihood of a failure & consequences of the failure". The risks can be defined in many things but at the root of every definition is the fact that risks represents uncertain outcomes. These outcomes can be either negative or positive.

Primarily there is global risk associated with this industry. This is mainly a competition factor emerging from countries like China, Bangladesh, and Vietnam etc. Scale of economy does matter but is not everything. Due to poor infrastructure facilities, the production and transaction costs remain high in India. Most of the Indian Garment exports are fashion garments which have limited shelf life. Overall infrastructure, both port and land, are not yet developed to cater huge exports. With good infrastructure in place, the industry has better scope to flourish. In India the Port infrastructure is at present highly insufficient. Also shipping a container of garments from India to the US is costlier in India compared to other Asian Countries. Non availability of direct sailing vessels also increases transit time. 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 is another type of risk known as operational risk. This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. In day to day business affairs, besides transaction related like credit risk & market risks, another important category are the operational risk. The Employee risk relating to the health and safety issues are a constant problem in the garment industry. It is very necessary for the management to develop the Labour welfare condition, which will motivate the employees to do more and will help to achieve the satisfaction. This risk covers mainly Illnesses, Infections and Injuries. Therefore the work environment in the unit should be safe and healthy. Hence, productivity linked wage system and some amount of flexibility in laws would give tremendous boost to Indian Industry. Purchasing power risk results in the loss of purchasing power due to the effects of inflation. When inflation is present, the currency loses its value due to the rising price level in the economy. This risk is also known as inflation risk. Further there is also Technology risk due to changes in the technology followed in the units. The Indian textile sector weakness is their industrial technologies & process. Because of this reason for the next five years china will be the strongest manufacturing center. China has built up a very efficient & scalable system for sourcing fabric & manufacturing garments using recent technology. In order to survive in the highly-competitive market, the Indian textile manufacturers need to focus on upgrading their machinery besides creating new facilities and additional capacities. 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. In general, country party risk can be reduced by having an organization with extremely good credit act as an intermediary between the two parties. There is buyer risk related to insolvency of the buyer. Buyer's protracted default to pay for goods accepted by him. The company risk is the risk that the individual company in which you invest will fail to perform as expected. This risk also includes the uncertainty associated with business firms operating environment & reflected in the variability of earnings before interest & taxes. In case of hazard risk, it is related to natural hazards, accidents & fire that can be insured. The currency risk is the uncertainty associated with changes in the relative value of currencies. Currency risk is a form of risk that arises from the change in price of one currency against another. There are other types of risks such as price risk, Liquidity risk, Settlement Risk and credit risks. The industry is always exposed to uncertainty which gives rise to these types of risks. Finally there is a concern related to the Export subsidies for textiles and garments sector like focus market scheme, focus product scheme (FPS), market-linked FPS, export promotion capital goods scheme, interest subvention on pre- and post-shipment export credit as well as tax breaks for special economic zones, which could be soon withdrawn if India heeds concerns raised by nations, at the World Trade Organization.

The company analyses these risks through a proper and effective risk management system. Accordingly the risks are evaluated on a regular basis and measures are taken to ensure that the company is properly insulated against these risks. The risk management systems and procedures are also placed before the board and board committees for deliberations. 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 an effective internal control and systems in place to review all the functions and procedures. There is regular 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. 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 outlook for the Indian textile industry looks 'positive' for medium to long term, buoyed by both strong domestic consumption as well as export demand. With massive economic development and subsequent rising labour costs coupled with appreciating Yuan, energy costs and domestic focus, China is slowly moving out of driver's seat vacating a textile trade space of more than \$100 billion over next 5-6 years. This is expected to perfectly match with governments' new focus to revive manufacturing industry with textile as key segment in its 'Make in India' program. Besides, the growth in Indian middle class, which remain to be target consumers for many companies, provides a great market opportunity for textiles. So, in the medium to long-term perspective, the Indian textile industry is expected to not just benefit from exports but also from huge domestic market. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade and accordingly 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. Nevertheless, to fully tap the growth opportunities, the industry needs to focus on consolidation and modernization of weaving, processing and garmenting capacities to ensure optimum productivity and improved quality. On part of the government, labor laws reforms should be implemented at the earliest to encourage new investments.

The company is very positive based on the encouraging trends available in the country. 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 to increase the profit margins of the Retail division and the garment unit. The growth in the garment business and exports in the country will have a direct impact on our processing unit also in terms increase in the profitability due to better sales realisation. Ultimately the objective is to remove the stress due to rise in the prices of various input items and increase the profitability of the unit.

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 **PAWANAGARWAL**
 Date: 29.05.2015 **CHAIRMAN & MANAGING DIRECTOR**

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 - 400 703.

Knitting and Garment Division:

Unit No.2:
 C3-B, MIDC, TTC Indl. Area,
 Pawne Village, Turbhe,
 Navi Mumbai - 400 703.

Annual General Meeting:

24th. A.G.M.

Date and Time:

29th September, 2015 - 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:

22.09.2015 to 29.09.2015 (both days inclusive)

Dividend payment:

Rs.0.50 per Equity share of Rs.10 each held by the public other than promoters and the promoter group/PAC.

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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 & 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 fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

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 Share Department of the Company or download the same from the R&T Agents 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.

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2015, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	1532360	9.19%
Demat Segment		
NSDL	14025265	84.11%
CDSL	1116678	6.70%
Total	16674303	100.00%

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. (Refer Investor Grievances Report)

Unclaimed Dividend:

Unclaimed dividend (not due for transfer to IEPF) as on 31st March 2015 is Rs.1218171. 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.			
Month	Low (Rs.)	High (Rs.)	Monthly Volume
April 2014	19.50	24.00	59,097
May 2014	18.95	24.65	43,534
June 2014	18.40	26.35	32,934
July 2014	22.85	26.40	30,047
August 2014	19.90	26.00	30,011
September, 2014	21.40	28.55	1,08,855
October, 2014	22.10	27.70	98,160
November, 2014	22.80	29.80	10,42,251
December, 2014	20.50	25.80	92,858
January, 2015	21.00	27.60	84,652
February, 2015	19.45	25.75	1,01,182
March, 2015	17.50	24.75	2,35,120

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.

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 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). Pursuant to the amendments made in the Listing Agreement by SEBI, 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.

SUDITI INDUSTRIES LTD

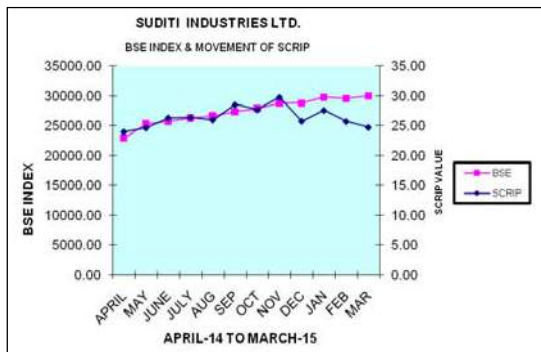


Meetings for approval of quarterly and annual financial results were held on the following dates:

Quarter	Date of Board Meeting
1 st Quarter	12/08/2014
2 nd Quarter	13/11/2014
3 rd Quarter	11/02/2015
4 th Quarter	29/05/2015

Stock Price Suditi v/s BSE Sensex:

(Source-R&T Agents)



Distribution of shareholding as on 31st March, 2015:

Category From To	No. of Cases	% of cases	Amount	% of Amount
Upto 5000	10056	95.14	13084370	7.85
5001 - 10000	261	2.47	2145140	1.29
10001 - 20000	79	0.75	1274530	0.76
20001 - 30000	65	0.61	1612310	0.97
30001 - 40000	23	0.22	798150	0.48
40001 - 50000	16	0.15	749980	0.45
50001 - 100000	22	0.21	1620680	0.97
100001 and above	48	0.45	145457870	87.23
Total:	10570	100.00	166743030	100.00
Physical Mode	8191	77.49	15323600	9.19
Electronic Mode	2379	22.51	151419430	90.81
Total:	10570	100.00	166743030	100.00

Shareholding Pattern as on 31st March, 2015:

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	—	—	—
Foreign Promoters	—	—	—
Non-Resident Indians	499	160246	0.961
Nationalized Banks	5	1200	0.007
Other Bodies Corporate	86	197668	1.185
Directors	1	12090700	72.511
Company Promoters	10	390800	2.344
Individuals / Others	9962	3787481	22.715
Overseas Corporate Bodies	—	—	—
Clearing Members	7	46208	0.277
Grand Total:	10570	16674303	100.00

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 - 400 703.

- C-3B, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai - 400 703.

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 or Mr. Deepak Naik (Tel: 67368600/10, 67368620/15) at the Company's Secretarial Dept. at C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai - 400 703.

SUDITI INDUSTRIES LIMITED

INVESTOR GRIEVANCE REPORT FOR THE PERIOD 1.04.2014 TO 31.03.2015

(As submitted by the R&T Agents M/s. Sharex Dynamic (I) Pvt. Ltd. - Mumbai)

INVESTOR GRIEVANCE REPORT FOR THE PERIOD 01/04/2014 TO 31/03/2015

SR. NO.	PARTICULARS	RECEIPT	REPLIED
1.	REQUESTS		
a.	Change / Correction of Address	NIL	NIL
b.	Receipt of dividend Warrants for revalidation	3	3
c.	Correction of name on dividend warrants	NIL	NIL
d.	Change / Correction of Bank Mandate	NIL	NIL
e.	Receipt of IB for issue of duplicate D/W	NIL	NIL
f.	Letter pf Intimation of Bank Mandate	NIL	NIL
g.	Registration of Power of Attorney	NIL	NIL
h.	Request for ECS Facility	1	1
i.	Loss of securities and request for issue of duplicate shares	5	5
j.	Receipt of IB and affidavit for issue of duplicate shares	NIL	NIL
k.	Request for stop transfer of securities	NIL	NIL
l.	Receipt of damaged/mutilated dividend warrant	NIL	NIL
m.	Request for consolidation/split of securities	NIL	NIL
n.	Request for issue of duplicate dividend warrant	NIL	NIL
o.	Deletion of joint name due to death	NIL	NIL
p.	Request for transmission of Securities	NIL	NIL
q.	Request for transposition of Securities	NIL	NIL
r.	Receipt of 15G form for exemption of Tax	NIL	NIL
s.	Specimen sign change/not mentioned in application	NIL	NIL
t.	Receipt of securities for endorsement as fully paid	NIL	NIL
u.	Queries regarding payment of allotment money	NIL	NIL
2.	COMPLAINTS		
a.	Non receipt of Dividend Warant	5	5
b.	Excess/Short payment of dividend	NIL	NIL
c.	Non-receipt of Annual Report	1	1
d.	Correspondence/Query relating to NSDL/CDSL operations	NIL	NIL
e.	Non-receipt of refund order	NIL	NIL
f.	Correction of name on securities	NIL	NIL
g.	Non-receipt of securities/Complaint relating to transfer of shares	2	2
3.	OTHERS		
		2	2
	TOTAL	19	19

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Annexure II(a)

DECLARATION OF INDEPENDENCE

1st April, 2015

To

The Board of Directors

Suditi Industries Limited, A-2, Shah & Nahar Indl. Estate,

Unit No.23/26, Lower Parel, Mumbai - 400 013.

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Mr. Vivek Gangwal**, hereby certify that I am a Non-executive Independent Director of **Suditi Industries Limited**, A-2, Shah & Nahar Indl. Estate, Unit No.23/26, Lower Parel, Mumbai - 400 013 and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that :

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Vivek Gangwal

DIN: 01079807

302, Marathon Heights, Pandurang Budhwar Marg,
Near Deepak Talkies, Worli, Mumbai - 400 018.

Mobile No.: 9820011398

E-mail ID: vcfinance@gmail.com

Annexure II (b)

DECLARATION OF INDEPENDENCE

1st April, 2015

To

The Board of Directors

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

Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, **Mr. Sushilkumar Singh Kasliwal**, hereby certify that I am a Non-executive Independent Director of **Suditi Industries Limited**, A-2, Shah & Nahar Indl. Estate, Unit No. 23/26, Lower Parel, Mumbai - 400 013 and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

I certify that:

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

SUDITI INDUSTRIES LTD

- Neither me nor any of my relatives:
 - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
 - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
 - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; **or**
 - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
 - c) holds together with my relatives 2% or more of the total voting power of the company; or
 - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.

Declaration

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,

Yours faithfully,

Sushilkumar Singh Kasliwal

DIN: 01111483

'Kalyan Bhavan' 582, M.G.Marg, Indore,
Madhya Pradesh - 452 001.

Mobile No.: 09827034642

E-mail ID: accounts@suditi.in

Annexure III

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; 14.71:1.
- b) % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees
% increase in remuneration of CMD 9.79 (remuneration revised w.e.f. Feb, 2015)
% increase in remuneration of KMP 10.00
% increase in remuneration of median 3.49
- c) Explanation of relationship between average increase in remuneration & Company Performance: Average increase in sales by 13% and average increase in profit by 26% against average increase in remuneration only by 4.24%
- d) Number of permanent employees on the rolls of the company as on 31st March, 2015 is 250 (including CMD).
- e) Comparison of remuneration of each KMP against performance of company- Average increase in sales by 13% and average increase in profit by 26% against average increase in remuneration of KMP only by 10%
- f) Variation in market cap/ net worth of company - 20.45%
- g) Justification of increase in managerial remuneration with that 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 2012. During the year CMD's salary is revised on his reappointment in the month of February, 2015 hence the increase is higher than that of the median employee.
- h) Key parameters for any variable remuneration of directors: not applicable.
- i) Ratio of remuneration of highest paid director to other employees who get remuneration more than highest paid director. Not applicable.
- j) Affirmation that remuneration is as per remuneration policy of the Company. Listing Agreement Clause 49.

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: 29.05.2015

PAWAN AGARWAL
CMD & CEO/CFO

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ANNEXURE IV

"EXTRACT OF ANNUAL RETURN"
As on financial year ended 31.03.2015
[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:

CIN:-	L19101MH1991PLC063245
Registration Date:	12/09/1991
Name of the Company:	Suditi Industries Ltd
Category / Sub-Category of the Company	Public Company limited by Shares
Address of the Registered office and contact details	A-2, Shah & Nahar Estate, Unit No.23/26, Lower Parel, Mumbai – 400 013. Tel: 67368600
Whether listed company	Yes - Listed
Name, Address and Contact details of Registrar and Transfer Agent, if any	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	47%
b.	Manufacturing of Knitted cotton textile products, crocheted cotton textile products	17301	53%
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	80%
b	Suditi Design Studio Ltd	U18204MH2015PLC262897	Subsidiary	80%

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN									
(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
Sub-total (A) (1):-	12481500	0	12481500	74.855	12481500	0	12481500	74.855	0
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0		0	0	0		0
(b). Other Individual									
(c). Bodies Corporates	0	0	0		0	0	0		0
(d). Banks / FII	0	0	0		0	0	0		0
(e). Qualified Foreign Investor	0	0	0		0	0	0		0
(f). Any Other Specify	0	0	0		0	0	0		0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	12481500	0	12481500	74.855	12481500	0	12481500	74.855	0.00



Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) (1). PUBLIC SHAREHOLDING									
(1). INSTITUTIONS									
(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
Sub-total (B)(1):-	700	500	1200	0.007	700	500	1200	0.007	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	49014	104000	153014	0.918	93668	104000	197668	1.185	0.267
(ii). Overseas									
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	741940	1177160	1919100	11.509	728194	1131960	1860154	11.156	-0.353
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1679628	202600	1882228	11.288	1772427	154900	1927327	11.559	0.271
(c). Other (specify)									
Non Resident Indians	19746	143900	163646	0.981	19246	141000	160246	0.961	-0.02
Overseas Corporate Bodies	0	0	0		0	0	0		0
Foreign Nationals	0				0			0	
Clearing Members	73615	0	73615	0.441	46208	0	46208	0.277	-0.164
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	2563943	1627660	4191603	25.137	2659743	1531860	4191603	25.138	0.001
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	2564643	1628160	4192803	25.144	2660443	1532360	4192803	25.145	0.00
C. Shares held by Custodian for GDRs & ADRs									0.00
Grand Total (A+B+C)	15046143	1628160	16674303	100.00	15141943	1532360	16674303	100.00	0.00
(ii) Shareholding of Promoters									
Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014			Share holding at the end of the Year 31/03/2015			% 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	.001		100	.001		=.000	
2	R PIYARELALL PVT LTD	100	.001		100	.001		=.000	
3	PAWAN KISHORILAL AGARWAL	10272100	61.604		12090700	72.511		+10.907	
4	RAJENDRA KISHORILALL AGARWAL	51000	.306		51000	.306		=.000	
5	ARCHANA AGARWAL	50000	.300		50000	.300		=.000	
6	SHALINI PAWAN AGARWAL	209600	1.257		209600	1.257		=.000	
7	MEENA GUPTA	10000	.060		10000	.060		=.000	
8	SHILPA AMIT AGRAWAL	2500	.015		2500	.015		=.000	
9	HARSH PAWAN AGARWAL	22500	.135		22500	.135		=.000	
10	TANAY PAWAN AGARWAL	22500	.135		22500	.135		=.000	
11	TANUJ PAWAN AGARWAL	22500	.135		22500	.135		=.000	
12	ANAND KISHORILAL AGARWAL	536500	3.218		0	.0		-100	
13	PRAMILA ANAND AGARWAL	402100	2.411		0	.0		-100	
14	LAXMIDEVI K AGARWAL	100000	.600		0	.0		-100	
15	KISHORILAL AGARWAL	780000	4.678		0	.0		-100	
		12481500			12481500				

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

Sr. no.	Name	No. of Shares at the beginning (01-04-2013)/ end of the year (31-03-2015)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	PAWAN KISHORILAL AGARWAL	10272100	61.604	01-04-2014				
				13-06-2014	780000	Transfer (Transmission)	11052100	66.282
				30-06-2014	100000	Transfer (Transmission)	11152100	66.882
				07-11-2014	938600	Transfer	12090700	72.511
2	- Closing Balance			31-03-2015			12090700	72.511

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

Sr. no.	Name	No. of Shares at the beginning (01-04-2013)/ end of the year (31-03-2015)	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	HARIVALLABH MUNDHRA	53400	.320	01-04-2014				
				20-02-2015	15000	Transfer	68400	.410
	-Closing Balance			31-03-2015	68500		136900	.821
2	MAHESH GOENKA	150500	.903	01-04-2014				
	-Closing Balance			31-03-2015			150500	.903
3	TEJASH PATEL	82891	.497	01-04-2014				
	-Closing Balance			31-03-2015			82891	.497
4	MAGANLAL ARJAN GALA	145047	.870	01-04-2014				
	-Closing Balance			31-03-2015			145047	.870
5	RAJAGOPAL RAJA CHINRAJ	81200	.487	01-04-2014				
				19-09-2014	19000	Transfer	100200	.601
				30-09-2014	5000	Transfer	105200	.631
	-Closing Balance			31-03-2015			105200	.631
6	MAHESH GOENKA (HUF)	116950	.701	01-04-2014				
	-Closing Balance			31-03-2015			116950	.701
7	LEELA MAGANLAL GALA	95516	.573	01-04-2014				
	-Closing Balance			31-03-2015			95516	.573
8	GAURAV MAGANLAL GALA	215400	1.292	01-04-2014				
	-Closing Balance			31-03-2015			215400	1.292
9	RAJKUMAR SARAF	102715	.616	01-04-2014				
	-Closing Balance			31-03-2015			102715	.616
10	SHRADDHA DEVI SARAF	130798	.784	01-04-2014				
	-Closing Balance			31-03-2015			130798	.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 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10272600	61.607		
	At the End of the year			12091200	72.514



V. INDEBTEDNESS“Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	163739564	-	-	163739564
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	163739564			163739564
Change in Indebtedness during the financial year				
• Addition	912050	-	-	912050
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	177612674	-	-	177612674
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	177612674			177612674

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	Shri Pawan Agarwal	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1600000	1600000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	214920	214920
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit - others, specify...	0 0	0 0
5	Others, please specify	16500	16500
	Total (A)		
	Ceiling as per the Act	Within the Limit	

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B. Remuneration to other directors:

Sl.no.	Particulars of Remuneration	Name of Managing Directors	Total Amount
1.	Independent Directors	Nil	Nil
	• Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors	Nil	Nil
	• Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration	Nil	Nil
	Overall Ceiling as per the Act		

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	-	1347050	-	1347050
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0	-	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	0	-	0
2	Stock Option	-	0	-	0
3	Sweat Equity	-	0	-	0
4	Commission				
	- as % of profit	-	0	-	0
	- others, specify...				
	Others, please specify	-	0	-	0
	Total				

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		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		



Annexure - V

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	During the year 2014-15
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	27.05.2014
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Black Gold Leasing Pvt Ltd
b)	Nature of contracts/ arrangements/transaction	Service agreement executed with the company for office & estate management.
c)	Duration of the contracts/ arrangements/transaction	3 years
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	29.05.2013 and again 27.05.2014
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	R.Piyarellal Pvt. Ltd.
b)	Nature of contracts/ arrangements/transaction	Sales & receipt of Job work service.
c)	Duration of the contracts/ arrangements/transaction	During the year 2014-15
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	27.05.2014
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	B.L.R. Knits Pvt. Ltd.
b)	Nature of contracts/ arrangements/transaction	Sales & receipt of Job work service
c)	Duration of the contracts/ arrangements/transaction	During the year 2014-15
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	27.05.2014
f)	Amount paid as advances, if any	Nil

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SHIV HARI JALAN
B.COM., F.C.A., F.C.S.
COMPANY SECRETARY

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2.
Telephone: 22075834, 22075835, Mobile: 9869035834,
email: shivharjalancs@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015
[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 31.03.2015 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 31st March 2015 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;

(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)

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



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified thus not applicable to the company during the period under review)
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

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

The company has not complied 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.

Place: Mumbai
Date: 29.05.2015

SHIV HARI JALAN
COMPANY SECRETARY
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.

SHIV HARI JALAN
B.COM., F.C.A., F.C.S.
COMPANY SECRETARY

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2.
Telephone: 22075834, 22075835, Mobile: 9869035834,
email: shivharijalancs@gmail.com

'Annexure A'

To,
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.

Place: Mumbai
Date: 29.05.2015

SHIV HARI JALAN
COMPANY SECRETARY
FCS No: 5703
C.P.NO: 4226

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AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of Suditi Industries Limited

We have examined the compliance of conditions of Corporate Governance by 'Suditi Industries Limited' for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

On the basis of representation received from The Registrars and Share Transfer Agents and as per records maintained by the Company which are presented to the Shareholders Grievances Committee, we state that, during the year ended 31st March, 2015 no investor grievances were pending for a period exceeding one month.

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: 29th May, 2015

INDEPENDENT AUDITOR'S REPORT

To
The Members of
SUDITI INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Suditi Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We 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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2015, its profit and its 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, 2015 in supersession of the Companies (Auditor's Report) Order, 2003, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 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 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) 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 were no 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 29, 2015

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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the members of Suditi Industries Limited ("the Company") for the year ended 31st March, 2015. We report that:

- 1) In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for the assets under installation.
 - b) All the 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 the nature of its assets. No material discrepancies were noticed on such verification.
- 2) In respect of Inventories:
 - a) As explained to us the inventories of the company have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to information and explanations given to us, the physical verification of inventories followed by management is reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) According to the information and explanations given to us, the Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- 3) The Company has neither granted any loans to, nor taken any loans from, companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the foregoing, the question of reporting on Clause 3 (iii) of the said order does not arise.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5) The Company has not accepted deposits from the Public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- 7) a) According to the books of account and records as produced and examined by us in accordance with the generally accepted auditing practice in India, in our opinion, there have been occasional delays in depositing Profession Tax, Service Tax and TDS. However, there were no dues outstanding at the year end. Other statutory dues as applicable have been deposited in time with the appropriate authorities.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, service tax, customs duty, value added tax, cess and other material statutory dues

were in arrears as at 31st March, 2015 for a period of 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 31st March 2015, the following are the particulars of dues that have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Forum where dispute is pending
Sales Tax	Demand raised as per Assessment Order - 1997-98	14.88	Asst. Commissioner, Sales Tax, (Appeals) Mumbai STAT (Appeals)
	1996-97	65.18	
	Revised order for - 1998-99	80.23	

- c) According to the information and explanation given to us, there were no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- 8) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- 9) 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 dues to financial institutions and banks. The Company did not have any Debentures outstanding during the year.
- 10) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Hence, in our opinion, clause (x) of paragraph 3 of the Companies (Auditors Report) Order, 2015 is not applicable to the Company.
- 11) During the current year, the Company had taken a further disbursement amounting to Rs. 9.12 lakhs out of a previously sanctioned term loan of Rs. 37.50 lakhs. On the basis of the records examined by us and according to the information and explanation given to us, the said proceeds were utilized for the purpose for which the loan was obtained. Further, during the year the Company has paid interest and installments as per sanction terms.
- 12) 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 or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **CHATURVEDI & CO.**

Chartered Accountants

(Firm Registration No.: 302137E)

(S N Chaturvedi)

Partner

(Membership No.: 040479)

Place: Mumbai

Date: May 29, 2015

SUDITI INDUSTRIES LTD



BALANCE SHEET AS AT 31ST MARCH, 2015

	Note	As at 31 st March, 2015		As at 31 st March, 2014	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3.	16,67,43,030		16,67,43,030	
(b) Reserves and Surplus	4.	9,01,23,384		8,32,26,580	
			25,68,66,414		24,99,69,610
2. Non-Current Liabilities					
(a) Long-term Borrowings	5.	32,34,267		75,51,918	
(b) Other Long-term Liabilities	6.	19,07,760		56,23,440	
			51,42,027		1,31,75,358
3. Current Liabilities					
(a) Short-term Borrowings	7.	17,43,78,407		15,61,87,646	
(b) Trade Payables	8.	8,64,49,368		7,86,61,678	
(c) Other Current Liabilities	9.	1,83,70,529		1,25,65,170	
(d) Short-term Provisions	10.	1,06,17,667		1,09,26,388	
			28,98,15,971		25,83,40,882
Total			55,18,24,412		52,14,85,850
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets	11.				
(i) Tangible Assets		11,79,13,924		9,18,70,574	
(ii) Intangible Assets		10,60,491		14,07,756	
(iii) Capital Work-in-Progress		-		3,83,25,185	
(iv) Intangible Assets Under Development		20,78,378		17,69,388	
		12,10,52,793		13,33,72,903	
(b) Non Current Investments	12.	4,59,400		-	
(c) Deferred Tax Assets (Net)	13.	1,70,80,086		1,70,80,086	
(d) Long-term Loans and Advances	14.	4,08,18,885		4,40,56,475	
(e) Other Non Current assets	15.	7,65,557		11,48,336	
			18,01,76,721		19,56,57,800
2. Current Assets					
(a) Current Investments	16.	2,34,000		2,34,000	
(b) Inventories	17.	21,23,58,556		17,07,58,301	
(c) Trade Receivables	18.	10,94,54,188		9,74,36,043	
(d) Cash and Bank Balances	19.	32,84,631		28,76,753	
(e) Short-term Loans and Advances	20.	3,19,60,121		3,67,22,367	
(f) Other Current Assets	21.	1,43,56,195		1,78,00,586	
			37,16,47,691		32,58,28,050
Total			55,18,24,412		52,14,85,850

Significant Accounting Policies & Notes on financial Statements

1 to 47

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, 29th May, 2015

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2015

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Statement of Profit and Loss for the year ended 31st March, 2015

	Note	Year ended 31 st March, 2015		Year ended 31 st March, 2014	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
I. Revenue					
Revenue from Operations (Gross)	22.	69,89,99,068		62,07,38,483	
Less: Excise Duty		-		-	
Revenue from Operations (Net)			69,89,99,068		62,07,38,483
II. Other Income	23.		57,17,755		23,60,828
III. Total Revenue (I+II)			70,47,16,823		62,30,99,311
IV. Expenses					
Cost of Materials Consumed	24.	23,83,51,190		23,39,00,377	
Purchases of Stock-in-Trade		3,10,21,915		12,527	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25.	(4,03,72,486)		(3,01,01,673)	
Employee Benefits Expense	26.	5,75,75,934		5,79,65,220	
Finance Cost	27.	2,50,23,648		2,13,33,618	
Depreciation and amortisation expenses		1,94,26,902		1,19,88,659	
Other Expenses	28.	36,16,16,645		31,84,18,399	
Total Expenses			69,26,43,748		61,35,17,127
V. Profit / (Loss) before tax (III-V)			1,20,73,075		95,82,184
VI. Tax Expense					
Current Tax (MAT)		23,05,000		18,50,000	
(Less): MAT credit (where applicable)		-		-	
Current tax expense relating to prior years		-		-	
Net current tax expense		23,05,000		18,50,000	
Deferred tax		-	23,05,000	-	18,50,000
VII. Profit and Loss After Tax (V-VI)			97,68,075		77,32,184
VIII. Earnings per share (of Rs.10/- each)					
Basic			0.59		0.46
Diluted			0.58		0.46
Number of Shares Used for Computing Earning Per Share					
Basic			1,66,74,303		1,66,74,303
Diluted			1,67,32,378		1,66,96,253

Significant Accounting Policies & Notes on financial Statements

1 to 47

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, 29th May, 2015

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2015



Notes forming part of the Financial Statements for the year ended 31st March, 2015

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 applicable trade discounts and allowances. The finished goods which include Fabrics, Grey cloth, Branded Apparels & Garments are exempted from excise duty.

(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.

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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".



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.

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

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	Amt. in Rs.	Amt. in Rs.
Authorised		
18,000,000 Equity Shares of Rs. 10 each	<u>18,00,00,000</u>	<u>18,00,00,000</u>
Issued, Subscribed and Paid-up	<u>16,67,43,030</u>	<u>16,67,43,030</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>16,67,43,030</u>	<u>16,67,43,030</u>

	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
	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>1,66,74,303</u>	<u>16,67,43,030</u>	<u>1,66,74,303</u>	<u>16,67,43,030</u>
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>1,66,74,303</u>	<u>16,67,43,030</u>	<u>1,66,74,303</u>	<u>16,67,43,030</u>

(b) The company has only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. Each shareholder is eligible for one vote per share held.

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

	<u>As at 31st March, 2015</u>		<u>As at 31st March, 2014</u>	
<u>Name of the Shareholder</u>	No. of shares	% of holding	No. of shares	% of holding
Pawan Kishorilal Agarwal	<u>1,20,90,700</u>	<u>72.511</u>	<u>1,02,72,100</u>	<u>61.604</u>

(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 15% 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.

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(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. 718.98 lakhs(Previous year Rs.656.70) has been utilised towards the objectives stated in the Rights Issue document upto 31st March, 2015 and the balance amount has been utilised, in the interim, for working capital requirements pending usage in retail business expansion of the Company as envisaged in the objectives of the Rights Issue.

(f) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2015)

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2015)

	As at 31 st March, 2015		As at 31 st March, 2014	
	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	8,32,26,580		7,79,92,463	
Less: Differential amount of Dividend paid for 2012-13	-		39,052	
Tax on Dividend for 2012-13	-		6,329	
Add: Profit for the year	97,68,075		77,32,184	
	9,29,94,655		8,56,79,266	
Less: Appropriations				
Transitional impact on Depreciation on account of change from Companies Act, 1956 to Companies Act, 2013	3,55,669		-	
Proposed Dividend	20,96,402		20,96,402	
Tax on Proposed Dividend	4,19,200		3,56,284	
	9,01,23,384		8,32,26,580	
		9,01,23,384		8,32,26,580
Balance as at the end of the year		9,01,23,384		8,32,26,580
5. Long-term Borrowings				
Secured				
Term Loans				
From Banks	32,34,267		75,51,918	
		32,34,267		75,51,918
		32,34,267		75,51,918

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

TERM LOAN I					
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.				
Financial Year	Opening balance	Disbursement	Interest	Repayment	(Rs. in lakhs) 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
TOTAL		112.8	29.9	110.37	
TERM LOAN II					
Sanctioned amount	Rs.37.5 lakhs				
Secured by	hypothecation of specific assets purchased in the project. 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.				
Financial Year	Opening balance	Disbursement	Interest	Repayment	(Rs. in lakhs) Closing balance
2012-13	0	4.62	0.06	0	4.68
2013-14	4.68	1.49	0.37	5.03	1.51
2014-15	1.51	9.12	0.68	11.31	0
TOTAL		15.23	1.11	16.34	

Note: Since the company decided not to avail the balance portion of the undisbursed amount (Rs.22.27 lakhs) of term loan II, the said loan account was closed at the year end.

SUDITI INDUSTRIES LTD

	As at 31 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
6. Other Long-term Liabilities				
Security Deposit	19,07,760		56,23,440	
		<u>19,07,760</u>		<u>56,23,440</u>
7. Short-term Borrowings				
Loan repayable on demand from bank				
Secured	17,43,78,407		15,61,87,646	
		<u>17,43,78,407</u>		<u>15,61,87,646</u>
Rate of interest charged for the working capital borrowing is base rate plus 4%. 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 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
8. Trade Payables				
Micro and Small Enterprises*	98,22,454		62,66,320	
Others	7,66,26,914		7,23,95,358	
		<u>8,64,49,368</u>		<u>7,86,61,678</u>
* Micro and Small Enterprises				
i. Principal Amount Remaining unpaid	98,22,454		62,66,320	
ii. Interest	Nil		Nil	
iii. Total of a & b	98,22,454		62,66,320	
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 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
9. Other Current Liabilities				
Unpaid Dividend	12,18,171		783,764	
Other payables				
ESIC	1,10,146		1,23,331	
Provident fund	4,63,087		2,79,278	
Salary & remuneration	37,59,140		35,52,613	
TDS	10,38,876		10,07,458	
Gratuity	7,89,301		5,76,499	
Professional tax	95,525		59,950	
Dividend Payable	20,96,402		20,96,402	
Advances from customers	87,99,881		40,85,875	
		<u>1,83,70,529</u>		<u>1,25,65,170</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.				

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		As at 31 st March, 2015		As at 31 st March, 2014								
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.							
10.	Short-term Provisions											
	Provision for employee benefits											
	Bonus payable	15,61,902		25,71,592								
	Leave salary	19,20,310		29,17,370								
		34,82,212		54,88,962								
	Provision others											
	Provision for expenses	71,35,455		54,37,426								
			1,06,17,667		1,09,26,388							
11.	Fixed Assets				(Amount in Rs.)							
		GROSS BLOCK			DEPRECIATION		NET BLOCK					
Sr. No.	Description	As at 01.04.2014	Additions	Deduction/ Adjustments	As at 31.03.2015	As at 01.04.2014	For the Period	Deductions	Other Adjustments	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
	Tangible Assets											
1	Land (Leasehold)	16,42,190	-	-	16,42,190	-	-	-	-	-	16,42,190	16,42,190
2	Building	2,01,62,744	1,83,10,247	-	3,84,72,991	1,09,82,181	12,80,380	-	-	1,22,62,561	2,62,10,430	91,80,563
3	Plant & Machinery	29,45,01,702	11,25,000	8,39,378	29,47,87,324	25,19,34,345	89,63,604	-	4,833	26,08,93,116	3,38,94,208	4,25,67,357
4	Furniture & Fixtures	2,72,85,049	2,55,05,962	6,586	5,27,84,425	89,33,572	30,98,140	-	2,59,485	1,17,72,227	4,10,12,198	1,83,51,477
5	Office & Other Equip.	1,10,87,383	21,46,710	-	1,32,34,093	32,51,738	13,56,408	-	(75,312)	46,83,458	85,50,635	78,35,645
6	Computers	1,13,88,863	4,78,395	-	1,18,67,258	70,03,343	29,37,708	-	(4,85,155)	1,04,26,206	14,41,052	43,85,520
7	Electrical Installation	1,13,17,961	31,152	-	1,13,49,113	65,85,477	7,61,528	-	(1,68,533)	75,15,538	38,33,575	47,32,484
8	Vehicles	48,44,840	-	28,26,159	20,18,681	16,69,502	3,91,778	13,72,235	-	6,89,045	13,29,636	31,75,338
		38,22,30,732	4,75,97,466	36,72,123	42,61,56,075	29,03,60,158	1,87,89,546	13,72,235	(4,64,682)	30,82,42,151	11,79,13,924	9,18,70,574
	Intangible Assets											
1	Software	15,93,841	5,24,720	-	21,18,561	3,86,085	5,37,356	-	(2,34,629)	11,58,070	9,60,491	12,07,756
2	Trademark(Brand)	3,00,000	-	-	3,00,000	1,00,000	1,00,000	-	-	2,00,000	1,00,000	2,00,000
		38,41,24,573	4,81,22,186	36,72,123	42,85,74,636	29,08,46,243	1,94,26,902	13,72,235	(6,99,311)	30,96,00,221	11,89,74,415	9,32,78,330
	Previous Year	37,10,55,772	1,31,03,753	34,952	38,41,24,573	27,88,67,605	1,19,88,659	10,021	-	29,08,46,243	9,32,78,330	9,21,88,167
	Capital Work In Progress											- 3,83,25,185
	Intangible Assets Under Development											20,78,378 17,69,388
<p>Note: The TUF (Technology Upgradation Fund) Subsidy received from the Central Government during the year amounted to Rs.10,23,978. Of this, an amount of Rs. 8,39,378 attributable to machinery purchased during the FY 2012-13 and the balance amount of Rs. 1,84,600 attributable to machinery purchased during the current year have been reduced from the total cost of plant & machinery shown under the head "Plant & Machinery" in the above table.</p>												
		As at 31 st March, 2015		As at 31 st March, 2014								
		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	4,59,400		-								
			4,59,400		-							
13	Deferred tax (liability) / assetS											
	<u>Tax effect of items constituting deferred tax liability</u>											
	On difference between depreciation as per books & that as per income tax	-		-								
	On expenditure deferred in the books but allowable for tax purposes	90,718		3,40,347								
			90,718		3,40,347							



Tax effect of items constituting deferred tax assets

On difference between depreciation as per books & that as per income tax	18,37,929	51,955
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	6,61,258	7,61,071
Unabsorbed depreciation carried forward	1,47,00,970	2,98,40,534
Brought forward business losses	-	3,49,382
Tax effect of items constituting deferred tax assets	<u>1,72,00,157</u>	<u>3,10,02,942</u>
Net deferred tax (liability) / asset	<u>1,71,09,439</u>	<u>3,06,62,595</u>

In terms of Accounting Standard 22 "Accounting for Taxes on Income", the Company has computed Net Deferred Tax Asset for the F.Y. 2014-2015 amounting to Rs. 171.09 lakhs (previous year Rs. 306.63 lakhs). The Management does not consider it appropriate to account for the Net Deferred Tax Asset due to uncertainty of future profits. Hence, the previous outstanding balance (Rs. 170.80 lakhs) in the account has been continued for the current year.

	As at 31 st March, 2015		As at 31 st March, 2014	
	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	27,91,810		27,91,809	
Security Deposits	3,80,27,075		4,12,64,666	
		<u>4,08,18,885</u>		<u>4,40,56,475</u>
		<u>4,08,18,885</u>		<u>4,40,56,475</u>
15. Other Non Current assets				
Amortisation of Right Issue Expenses	7,65,557		11,48,336	
		<u>7,65,557</u>		<u>11,48,336</u>
16. Current Investments				
Investments Equity Shares of IDBI Bank Ltd (Quoted) [2880 (Including Bonus Shares issues of 1080 shares)] (Aggregate Market Value Rs.2,04,624/- P.Y. Rs.1,88,496/-)	2,34,000		2,34,000	
		<u>2,34,000</u>		<u>2,34,000</u>
17. Inventories (At lower of cost and net realisable value)				
Raw Materials	1,88,49,980		1,72,95,769	
Work in Progress	1,25,61,065		1,15,32,489	
Finished Goods	17,39,33,864		13,45,47,935	
Stock In Trade	5,20,196		5,62,215	
Stores and Spares	63,66,192		66,76,142	
Fuel & Oil	1,27,259		1,43,751	
		<u>21,23,58,556</u>		<u>17,07,58,301</u>
18. Trade Receivables				
Outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, Considered Good	3,80,12,788		1,34,12,542	
Less: Provision for Doubtful Debts	-		-	
		<u>3,80,12,788</u>		<u>1,34,12,542</u>
Others				
Unsecured, Considered Good	7,14,41,400		8,40,23,501	
		<u>7,14,41,400</u>		<u>8,40,23,501</u>
		<u>10,94,54,188</u>		<u>9,74,36,043</u>

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	As at 31 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
19. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
(a) Balances with Banks	10,79,574		9,46,783	
(b) Cash on Hand	9,86,764		11,46,137	
(ii) Earmarked Balances with Banks				
Unpaid Dividend	12,18,293		7,83,833	
		<u>32,84,631</u>		<u>28,76,753</u>
		<u>32,84,631</u>		<u>28,76,753</u>
20. Short-term Loans and Advances (Unsecured, Considered Good)				
Loans and advances to employees	1,17,018		4,40,889	
Loans and advances to related party	-		-	
Prepaid expenses	5,57,750		4,42,807	
Balances with government authorities				
Central Excise and Customs	6,73,408		6,13,906	
Service Tax receivable	1,91,490		2,50,815	
Sales tax Refund and Set-off	72,90,760		53,32,306	
Income Tax (Net of provisions)	2,18,16,770		1,92,91,853	
Advances to Suppliers	13,12,925		1,03,49,791	
		<u>3,19,60,121</u>		<u>3,67,22,367</u>
21. Other Current Assets				
Others				
Receivable in Cash or Kind	1,43,56,195		1,78,00,586	
		<u>1,43,56,195</u>		<u>1,78,00,586</u>
22. Revenue from Operations				
Sale of products (Refer Note (i) below)	69,71,59,161		61,84,20,994	
Sale of services (Refer Note (ii) below)	-		5,72,706	
Other operating revenues (Refer Note (iii) below)	18,39,907		17,44,783	
		<u>69,89,99,068</u>		<u>62,07,38,483</u>
Revenue from Operations (Gross)		<u>69,89,99,068</u>		<u>62,07,38,483</u>
Less: Excise Duty		-		-
Revenue from Operations (Net)		<u>69,89,99,068</u>		<u>62,07,38,483</u>
Notes:				
(i) Sale of products:				
<u>Manufactured Goods</u>				
Knitted Fabrics	39,13,84,988		32,96,43,950	
Garments & Apparels	27,44,52,853		28,87,73,419	
	<u>66,58,37,841</u>		<u>61,84,17,369</u>	
<u>Traded Goods</u>				
Trading Goods	3,13,21,320	69,71,59,161	3,625	61,84,20,994
(ii) Sale of services:				
Commission	-	-	5,72,706	5,72,706
(iii) Other operating revenues:				
Scrap Sales	16,63,513		16,51,992	
Duty Drawback	1,76,394	18,39,907	92,791	17,44,783



	As at 31 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
23. Other Income				
Interest Income from Banks on Deposits	43,889		52,417	
Interest on Sales Tax Refund	-		68,820	
Other Interest	<u>6,84,824</u>		<u>75,444</u>	
	7,28,713		1,96,681	
Dividend Income	792		12,168	
Other non operating Income	<u>49,88,250</u>		<u>21,51,979</u>	
		<u>57,17,755</u>		<u>23,60,828</u>
24. Cost of Materials consumed				
Opening stock	1,72,95,769		4,35,78,359	
Add: Purchases	23,99,05,401		20,76,17,787	
Less: Closing stock	<u>1,88,49,980</u>		<u>1,72,95,769</u>	
		<u>23,83,51,190</u>		<u>23,39,00,377</u>
Material consumed:				
Chemicals	4,97,95,418		4,12,80,487	
Dyes	2,52,96,815		2,85,40,523	
Yarn & Fabric	14,97,95,180		15,39,89,750	
Other Raw Materials	<u>1,34,63,777</u>		<u>1,00,89,617</u>	
		<u>23,83,51,190</u>		<u>23,39,00,377</u>
25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the end of the year:				
Finished goods	17,39,33,864		13,45,47,935	
Work-in-progress	1,25,61,065		1,15,32,489	
Stock-in-trade	<u>5,20,196</u>		<u>5,62,215</u>	
		18,70,15,125		14,66,42,639
Inventories at the beginning of the year:				
Finished goods	13,45,47,935		10,99,75,670	
Work-in-progress	1,15,32,489		57,38,593	
Stock-in-trade	<u>5,62,215</u>	14,66,42,639	<u>8,26,703</u>	11,65,40,966
		<u>(4,03,72,486)</u>		<u>(3,01,01,673)</u>
26. Employee Benefits Expense				
Salaries and wages	5,05,55,079		5,19,55,905	
Contributions to provident and other funds	32,85,420		22,29,358	
Expense on employee stock option (ESOP) scheme	-		-	
Staff welfare expenses	<u>37,35,435</u>		<u>37,79,957</u>	
		<u>5,75,75,934</u>		<u>5,79,65,220</u>
27. Finance Costs				
Interest Expenses on:				
Borrowings	2,43,86,010		2,07,63,808	
Trade Payables	6,28,379		4,37,897	
Others				
Interest on delayed / deferred payment of income tax	-		1,344	
Interest on delayed payment of Excise duty	1,758		54,614	
Interest on delayed payment of Service tax	<u>7,501</u>		<u>75,955</u>	
		<u>2,50,23,648</u>		<u>2,13,33,618</u>

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	As at 31 st March, 2015		As at 31 st March, 2014	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
28. Other Expenses				
Stores & Spares Consumable	1,93,20,890		2,11,92,228	
Consumption Of Packing Materials	83,30,961		91,71,635	
Sub Contracting	7,13,14,457		7,66,63,002	
Power & Fuel	5,83,71,802		6,03,83,760	
Water	76,30,446		79,99,969	
Rent Including Lease Rentals	1,10,50,091		1,50,27,594	
Repair & Maintenance:				
Building	11,25,884		1,69,445	
Machinery	28,50,526		24,96,125	
Others	42,59,512		42,04,189	
Insurance	6,11,212		5,44,887	
Garment Division Expenses	25,312		3,71,240	
Rates & Taxes	98,50,036		85,38,123	
Communication	33,39,361		33,80,634	
Travelling & Conveyance	37,13,458		65,90,455	
Printing & Stationery	8,48,804		10,11,683	
Sales Commission	36,57,856		21,73,123	
Business Promotion Expenses	4,60,521		11,97,413	
Discount on Sales	11,34,89,594		6,95,70,568	
Royalty	94,55,534		-	
Donations & Contributions	-		501	
Legal & Professional	61,55,092		42,65,552	
Statutory Auditors Remuneration	2,80,900		2,80,900	
Transportation Charges	66,22,747		60,58,715	
Bank Charges, Commission & Others	5,74,278		5,64,870	
Advertisement Expenses	9,97,574		6,66,821	
Motor Car Expenses	16,01,836		16,11,275	
Security Charges	36,91,325		37,66,231	
Registrar & Transfer Expenses	1,29,682		90,488	
Subscription & Membership	38,470		66,974	
Sundry Balance W/Off	7,14,993		26,998	
Prior Period Expenses	9,67,045		6,61,746	
Amortisation of Share issue expenses	3,82,779		3,82,779	
Loss on sale of fixed assets	7,03,924		5,883	
Establishment Management Fees	53,93,280		53,93,280	
Miscellaneous Expenses	36,56,463		38,89,313	
		36,16,16,645		31,84,18,399
29. Auditors' Remuneration				
Statutory Audit Fees	2,52,810		2,52,810	
Tax Audit Fees	28,090		28,090	
Other Services	50,562		50,560	
	3,31,462		3,31,460	
30. Proposed Dividend				
Proposed Dividend (Amt. in Rs.)	20,96,402		20,96,402	
Number of shares outstanding as at the end of the year				
Promoter group	1,24,81,500		1,24,81,500	
Non-Promoter group	41,92,803		41,92,803	
Dividend per Share (Rs. per Equity Share of Rs. 10 each)	0.50		0.50	



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.0.50 per share exclusively on the share capital held by the public for the year ended 31st March, 2015. 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 on 31st December, 2012 given its approval to grant 278700 options at par to specified eligible employees of the Company. Out of this, 59200 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	31-01-2014
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.)	278700
Options Lapsed (Nos.)	59200
Options Forfeited (Nos.)	0
Options Vested and exercisable at the end of the period (Nos.)	58075
Options Exercised (Nos.)	0
Options Expired (Nos.)	0
Options Outstanding at the end of the period (Nos.)	161425
Mode of settlement	Equity
Graded vesting schedule	Percentage of options granted
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 by valuer on the basis of Black Scholes pricing model for each stock option granted is within the range of Rs.10.00 to Rs.16.71 per option. Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2015 would have been higher by Rs.9,70,433/- 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. 0.53 and Rs. 0.53.

	Unit	For the Year ended 31 st March, 2015		For the Year ended 31 st March, 2014	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
32. Consumption of Raw, Stores & Spares and Packing Materials					
Chemicals			4,97,95,418		4,12,80,487
Dyes			2,52,96,815		2,85,40,523
Yarn & Fabric	Kgs	7,29,407	14,97,95,180	6,20,262	15,39,89,750
Other Raw Materials			1,34,63,777		1,00,89,617
Stores & Spares			1,93,20,890		2,11,92,228
Packing Materials			83,30,961		91,71,635
			<u>26,60,03,041</u>		<u>26,42,64,240</u>

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	Year ended 31 st March, 2015		Year ended 31 st March, 2014	
	%	Amt. in Rs.	%	Amt. in Rs.
Imported	0.46	12,32,879	0.29	15,63,019
Indigenous	99.54	26,47,70,162	99.71	26,27,01,221
	100.00	26,60,03,041	100.00	26,42,64,240

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.

		As at 31 st March, 2015		As at 31 st March, 2014	
		Quantity	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
33. Opening Stock					
1. Yarn	Kgs	36,067	75,22,603	33,252	74,10,607
2. Grey fabric	Kgs	23,189	50,34,541	1,20,160	3,29,92,295
3. Chemicals			14,08,490		14,58,464
4. Stores, Spares & Other items			73,35,461		54,88,275
5. Packing Materials			6,94,600		7,33,435
6. Dyes			21,19,967		9,18,147
7. Stock in trade	Pcs	3,193	5,62,215	4,731	8,26,703
8. Work in Progress	Kgs	27,777	96,67,327	13,836	34,42,477
	Pcs	34,000	18,65,162	58,076	22,96,116
9. Finished Goods					
Finished Fabric	Kgs	1,28,275	4,09,95,903	54,313	1,58,74,574
Finished Garments	Pcs	2,72,841	9,35,52,032	3,92,311	9,41,01,096
			17,07,58,301		16,55,42,189
			For the Year ended 31st March, 2015		For the Year ended 31st March, 2014
		Quantity	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
34. Sales					
1. Processed Fabric	Kgs	33,34,003	39,13,84,988	34,35,239	32,96,43,950
2. Ready Made Garments	Pcs	6,37,433	9,24,52,732	12,49,865	15,57,61,209
3. Garments & Apparels (Retail Division)	Pcs	2,37,534	18,20,00,121	1,77,723	13,30,12,210
4. Trading Sales - Fabric & Others	Mtrs	1,04,504	3,13,21,320		3,625
			69,71,59,161		61,84,20,994
35. Purchases of Stock-in-Trade					
1. Purchases - Fabric & Others	Mtrs	1,04,504	3,10,21,915		12,527
			3,10,21,915		12,527
			As at 31st March, 2015		As at 31st March, 2014
		Quantity	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
36. Closing Stock					
1. Yarn	Kgs	42,079	79,09,104	36,067	75,22,603
2. Grey fabric	Kgs	24,390	47,25,932	23,189	50,34,541
3. Chemicals			15,69,588		14,08,490
4. Stores, Spares & Other items			77,26,057		73,35,461
5. Packing Materials			7,06,318		6,94,600
6. Dyes			27,06,432		21,19,967
7. Stock in trade (Footwears)	Pcs	2,962	5,20,196	3,193	5,62,215
8. Work in Progress	Kgs	14,761	1,00,72,190	27,777	96,67,327
	pcs	36,089	24,88,875	34,000	18,65,162
9. Finished Goods					
Finished Fabric	Kgs	2,40,718	7,09,23,562	1,28,275	4,09,95,903
Finished Garments	Pcs	3,29,188	10,30,10,302	2,72,841	9,35,52,032
			21,23,58,556		17,07,58,301



	For the Year ended 31 st March, 2015		For the Year ended 31 st March, 2014	
	Quantity	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
37. CIF Value of Imports				
Components and Spare Parts		12,32,879		15,63,019
Capital Goods		-		-
38. Expenditure in Foreign Currency				
Travelling		4,89,906		7,92,075
Others		48,03,332		55,37,783
39. Earnings in Foreign Exchange				
FOB Value of Exports		43,02,327		32,83,849
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, 2015 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 st March, 2015		As at 31 st March, 2014	
Particulars	Amount in Foreign Currency	Amt. in Rupees	Amount in Foreign Currency	Amt. in Rupees
Receivables				
US Dollar	-	-	10,263.67	6,26,735
Payables #				
# There is no amount payable in foreign currency outstanding as on 31st March, 2015.				
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 st March, 2015		For the Year ended 31 st March, 2014	
		Amt. in Rs.		Amt. in Rs.
(i) Contribution to Provident Fund		19,42,044		13,66,008
(ii) Contribution to Employees' State Insurance Scheme		7,82,637		10,28,973
(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 st March, 2015		For the Year ended 31 st March, 2014	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate (per annum)	7.80%	7.80%	9.20%	9.20%
(b) Rate of increase in Compensation Levels	5.00%	5.00%	5.00%	5.00%
(c) Rate of Return on Plan Assets	N.A	9.00%	N.A	6.75%



	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
	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	69,60,00,296	61,66,55,082
Other Countries	29,98,772	40,83,401
	<u>69,89,99,068</u>	<u>62,07,38,483</u>
(II) Carrying Amount of Segment Assets		
India	55,18,24,413	52,14,85,850
Other Countries	-	-
	<u>55,18,24,413</u>	<u>52,14,85,850</u>
(III) Capital Expenditure		
India	4,81,22,186	1,31,03,753
Other Countries	-	-
	<u>4,81,22,186</u>	<u>1,31,03,753</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.		
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.		
Disclosure of transactions between the company and related parties		

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	For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2014
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr. Pawan Agarwal	18,14,920	15,79,945
	<u>18,14,920</u>	<u>15,79,945</u>
b) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.	1,78,38,102	2,12,04,355
2. BLR Knits Pvt. Ltd.	14,62,357	19,74,541
b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	4,80,173	1,48,968
2. BLR Knits Pvt. Ltd.	2,69,677	
c) Purchase of Capital Goods (Trademark Brand)		
1. Intime Knits Pvt. Ltd.	-	3,00,000
d) Payment for Services Received		
1. Intime Knits Pvt. Ltd.	82,240	6,12,249
2. Black Gold Leasing Pvt. Ltd.	1,33,08,082	1,27,34,538
3. R. Piyarellal Pvt. Ltd.	34,04,180	45,75,795
4. BLR Knits Pvt. Ltd.	957	-
e) Balance Outstanding as at the year end		
1. BLR Knits Pvt. Ltd. (Receivable)	2,46,492	1,94,800
2. Intime Knits Pvt. Ltd. (Net Receivable)	1,50,709	37,21,566
3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	3,03,81,466	3,03,81,466
4. Black Gold Leasing Pvt. Ltd. (Net Payable)	4,55,090	-
5. R. Piyarellal Pvt. Ltd. (Payable)	55,852	10,94,312
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 st March, 2015	For the Year ended 31 st March, 2014
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	1,10,50,091	2,04,20,874
(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	46,28,256	48,51,504
(ii) Later than one year and not later than five years	11,57,064	74,47,948
(iii) Later than five years	-	-
	<u>57,85,320</u>	<u>1,22,99,452</u>



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 31st March, 2015	For the Year ended 31st March, 2014
Profit for the year (Amt. in Rs.)	97,68,075	77,32,184
Weighted average number of Shares for Basic Earnings per Share	1,66,74,303	1,66,74,303
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	58,075	21,950
Weighted average number of Shares for Diluted Earnings per Share	1,67,32,378	1,66,96,253
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	0.59	0.46
Diluted	0.58	0.46

	As at 31st March, 2015		As at 31st March, 2014	
	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	1,60,29,051		1,60,29,051	
(ii) Excise matters	-		-	
(iii) Income tax matters	-		-	
	1,60,29,051		1,60,29,051	
(b) Guarantee given to any Government Department or Corporation				
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	1,69,10,924		1,69,10,924	
	1,69,10,924		1,69,10,924	

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.

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

Signatures to Notes 1 to 47

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, 29th May, 2015

For and on behalf of the Board

Pawan Agarwal
Chairman & Managing Director

Vivek Gangwal
Director

H.Gopalkrishnan
V.P. Finance & Company Secretary

Mumbai, 29th May, 2015

Sushil Kumar Kasliwal
Director

Manoj Khemka
V.P. Accounts & Commercial

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A. Cash flow from operating activities				
Net Profit before Tax		120.73		95.82
Adjustments for -				
Depreciation and Amortisation Expense	194.27		119.89	
Prior period expenses	3.44		-	
Amortisation of Rights Issue Expenses	3.83		3.83	
Loss on sale of fixed assets	7.04		0.06	
Interest Income	(6.85)		-	
Interest Expense	8.83		21.50	
Fixed Assets Written Off	0.07		-	
Dividend Received	(0.01)		(0.12)	
		<u>210.61</u>		<u>145.16</u>
Operating profit before working capital changes		331.34		240.98
Adjustments for -				
Trade and Other Receivables	(38.12)		(288.38)	
Inventories	(416.00)		(52.16)	
Trade and Other Payables	314.75		428.58	
		<u>(139.37)</u>		<u>88.04</u>
Cash generated from operations		191.97		329.02
Direct Taxes paid (net of refund of taxes)		(23.05)		(18.50)
Net cash from operating activities		<u>168.92</u>		<u>310.52</u>
B. Cash flow from investing activities				
Purchase of Fixed Assets	(102.91)		(184.91)	
Sale of Fixed Assets	7.50		0.19	
Subsidy - Capital	10.24		-	
Movement in Long term loans and advances	32.38		(48.74)	
Dividend Received	0.01		0.12	
Subsidy - Interest	6.85		-	
Advance towards subscription of shares	(4.59)		-	
Net cash used in investing activities		<u>(50.52)</u>		<u>(233.34)</u>
C. Cash flow from financing activities				
Proceeds from issue of Share Capital	-		-	
Proceeds from Long-term Borrowings	9.12		1.49	
Repayment of Long-term Borrowings	(52.30)		(30.71)	
Movement in Other long term liabilities	(37.16)		1.54	
Dividend paid	(20.96)		(21.35)	
Tax paid on Dividend	(4.19)		(3.63)	
Interest paid	(8.83)		(21.50)	
Net cash used in financing activities		<u>(114.32)</u>		<u>(74.16)</u>
Net increase/(decrease) in cash and cash equivalents		<u>4.08</u>		<u>3.02</u>
Cash and Cash Equivalents - Opening Balance		<u>28.77</u>		<u>25.75</u>
Cash and Cash Equivalents - Closing Balance		32.85		28.77

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

Sushil Kumar Kasliwal
Director

Vivek Gangwal
Director

Manoj Khemka
V.P.Accounts & Commercial

S. N. Chaturvedi
Partner
(Membership No.040479)
Mumbai, 29th May, 2015

H.Gopalkrishnan
V.P.Finance & Company Secretary

Mumbai, 29th May, 2015

**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 Fourth Annual General Meeting of the Company, to be held on Tuesday the 29th September, 2015 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 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements and Directors' Report for the year ended 31 st March, 2015		
2.	Approval of dividend on the portion of the Equity Shares held by the public for the year ended 31 st March, 2015		
3.	Re-appointment of M/s. Chaturvedi & Co., Chartered Accountants as Statutory Auditors and fixing their remuneration		
Special Business			
4.	Appointment of Smt. Sanjula Sanghai as a Director		
5.	Re-appointment of Shri. Pawan Agarwal as a Director		
6.	Ratify the Appointment of Shri. Pawan Agarwal as Managing Director		
7.	Authorisation to the Board to undertake Related Party Transactions.		
8.	Adoption of new set of Article of Association of the company.		

Signed this _____ day of _____ 2015

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**ATTENDANCE SLIP**

CIN: L19101MH1991PLC063245
Registered Office: A-2, Shah & Nahar Indl. Estate,
 Unit No.23/26, Lower Parel, Mumbai - 400 013.
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Tel: 67368600/10 **Fax:** 27683465
E-mail: cs@suditi@in **Website:** www.suditi.in

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

I hereby record my presence at the Twenty Fourth Annual General Meeting held at Walchand Hirachand Hall, 4th Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust (IMC Bldg.), Churchgate, Mumbai - 400 020 on Tuesday the 29th September, 2015 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.



61st National Garment Fair, CMAI, Goregaon



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SUDITI INDUSTRIES LTD.

FACTORY & ADMN. OFF. : C-253/254, M.I.D.C., T.T.C.
INDUSTRIAL AREA, VILLAGE PAWNE, NAVI MUMBAI - 400 703
TEL.: (91) 22 6736 8600/10, FAX : (91) 22 2768 3465
E-MAIL : admin@suditi.in WEBSITE : www.suditi.in