



SUDITI INDUSTRIES LTD.

26TH ANNUAL REPORT

2016-2017

OFFICIAL APPAREL LICENSEE



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

Tel No.67368600 / 10 | Fax No. 27683465

E mail: cs@suditi.in | Website: www.suditi.in

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Works

Unit No.1

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

Unit No. 2

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

Auditors

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

Legal Advisor

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

Bankers

Axis Bank Ltd.
Indian Overseas Bank
HDFC Bank Ltd.

Registrar & Share Transfer Agents

Sharex Dynamic (India) Pvt.Ltd.
Unit-1 , Luthra Indl.premises, Safed Pool,
Andheri kurla Rd., Andheri (E),
Tel No.28515606 / 28515644 / 28528087
E mail:sharexindia@vsnl.com
Website:www.shareindia.com

TWENTY SIXTH ANNUAL GENERAL MEETING

Friday the 29th September, 2017 at
11:30 a.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



MEETING:

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Friday the 29th September 2017 at 11.30 a.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, 2017 and the statement of Profit & Loss Account of the Company for the financial year ended 31st March, 2017 both stand alone and consolidated and the Reports of the Directors and Auditors thereon:

2 To declare a dividend exclusively on the portion of the Equity Shares held by the public as on the balance sheet date for the financial year ended 31st March, 2017.

3 To appoint a director in place of Smt. Sanjula Sanghai (DIN No: 00049344), who retires by rotation and, being eligible, offers herself for re-appointment.

4 Appointment of 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 the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed there under, as amended from time to time, and pursuant to the recommendations of the Audit Committee and the board of Directors, M/s. Chaturvedi & Partners., Chartered Accountants (ICAI Firm Registration No.307068E) be and is hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Thirty First AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of pocket, travelling and living expenses, etc., to be fixed by the Board of Directors on a mutually agreed terms between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY:

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

"RESOLVED THAT pursuant to provision of Section 61(1)(a) of the Companies Act, 2013, and any other applicable provisions and the relevant rules framed there under and in accordance with the provisions of the Articles of Association of the Company, the Authorized share capital of the Company be and is hereby increased from Rs.18,00,00,000/- (Rupees Eighteen Crores only) divided into 1,80,00,000 (One Crore Eighty Lakhs only) equity shares of Rs.10/- each to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crore Fifty lakhs only) equity shares of Rs.10/- each by creating additional 70,00,000 (Seventy Lakhs only) equity shares of Rs.10/- each.

"RESOLVED FURTHER THAT the new equity shares shall rank pari passu with the existing equity shares."

"RESOLVED FURTHER THAT, Shri. Pawan Agarwal, Chairman & Managing Director, and, or, the Company Secretary and compliance officer of the company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution."

6. TO AMEND THE MEMORANDUM OF ASSOCIATION:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a SPECIAL RESOLUTION

RESOLVED THAT the consent of the Company be and is hereby accorded under provisions of section 13 of the Companies Act, 2013, the existing Clause V of Memorandum of Association of the Company be substituted with the following clause:

The Authorised share capital of the company is Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crores Fifty lakhs) equity shares of Rs.10/- (Rupees Ten only) each. The company has power, from time to time, to increase or reduce its capital and to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, deferred, qualified or other special rights, privileges, conditions or restrictions as may be determined by or in accordance with the Articles of Association of the company and to vary, modify or abrogate any such rights, privilege or conditions or restrictions in such manner as may for the time being be permitted by the Articles of Association of the company or the legislative provisions for the time being in force in that behalf.

"RESOLVED FURTHER THAT, Shri. Pawan Agarwal, Chairman & Managing Director, and, or, the Company Secretary and compliance officer of the company be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution."

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

"RESOLVED THAT in accordance with the provisions of the section 62 (1) (b) and other applicable provisions of the companies Act 2013 read with rules framed there under , the Securities exchange Board of India (Share based employee benefits) Regulations 2014 as amended from time to time ("the guidelines"), the Securities and Exchange Board of India (Listing Obligations and disclosure requirements) Regulations 2015, the provisions of any regulations/guidelines prescribed by the Securities and Exchange board of India (SEBI) and or the Reserve bank of India (RBI), the provisions of any other applicable laws and regulations (Including any amendment thereto or modification(s) or re-enactment(s) thereof from time to time, the Memorandum and Articles of association of the company and subject to any applicable approval(s), permission(s) and sanction(s) if any required as may be, of the Bombay Stock Exchange Limited or any such or other authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s) and which may be agreed to and accepted by the board or board constituted committees which term shall include Compensation Committee already constituted by the board, consent of the members be and are hereby accorded to the following modifications in the Suditi Employees Stock Option Plan 2011 in respect of "clause 3.10 of Employee means under clause 3 definitions" as given below and such modifications shall be effective from the date of approval of the Resolution by the members in the General meeting."

The present clause" 3.10 of the SUDITI ESOP PLAN 2011"

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"Employee" means

- a permanent employee who is on the payroll of the company working in or out of India;
- a director of the company, whether a whole time director or not;

The above Clause 3.10 shall be substituted with the following clause:

"Employee" means

- a permanent employee who is on the payroll of the company or its subsidiary companies working in or out of India;
- a director of the company or its subsidiaries, whether a whole time director or not;

"RESOLVED FURTHER THAT the Board of directors or board constituted committee (Compensation Committee) be and is hereby authorized to amend, alter or modify the terms and conditions while issuing the Equity Shares on exercise of the options by the employees in due compliance with the guidelines prescribed by the provisions of the Companies Act 2013 and the rules framed there under including the applicable modifications and amendments as well as the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as well as Suditi Employees Stock Option Plan 2011 and other relevant regulations and acts in force."

"RESOLVED FURTHER THAT the Board of directors is authorized to take all necessary actions in this respect 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 : 09/08/2017

NOTES:

- 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 2016-17, the Board has recommended a dividend, exclusively on the portion of the equity capital held by the public as on 31st March 2017 at the rate of Rs.0.50 per Equity Share of the company.
- A member entitled to attend and vote at the above Meeting may appoint one or more Proxies to attend and vote instead of him. The Proxy need not be a member of the Company. Proxy form to be valid shall be deposited with the company not later than forty eight hours before the time for holding the meeting. E voting procedures and instructions circular are sent along with the Notice.
- The relevant details in respect of Item No.3 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto.
- The Register of members and the Share Transfer Books of the Company will remain closed from Saturday the 23rd September, 2017 to Friday the 29th September, 2017 (both days inclusive) for the purpose of payment of dividend.
- Members are also requested to notify immediately of any change in their address to the Company/Share Transfer Agents.

- 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:

- Name of Sole / First Joint holder and Folio No.
- Particulars of Bank Account, viz.
 - Name of Bank
 - Name of Branch
 - Complete address of Bank with Pin Code
 - Account type, whether Saving Account (SB) or Current Account (CA)
 - Account No. allotted by the Bank.

- 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.
- Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- 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 Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable Secretarial Standards) is given below:

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



EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos.5 to 7 of the accompanying Notice dated August 9, 2017:

Item No.5 & 6:

The Company proposes to raise funds in the future by issuing further equity shares on Rights/preferential basis/private placement/ Qualified Institutional Placement (QIP)/ Convertible Debentures and any such other method including offer for sale in the market or in one or more combination thereof. The existing Authorized Capital of the Company is Rs.18,00,00,000/- (Rupees Eighteen Crores only) which consists of 1.80 crores equity shares of Rs.10/- each only. Since the present limit of Authorized Capital would not be adequate to cover any such amount of issue in the future as referred above. In view of this, the Company proposes to increase the existing Authorized Equity Share Capital from Rs.18,00,00,000/- (Rupees Eighteen Crores only) to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) by creating additional 70,00,000 (Seventy Lakhs only) equity shares of Rs.10/- each thereby increasing the existing Authorized Capital from Rs.18,00,00,000/- (Rupees Eighteen Crores only) to Rs.25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crore fifty lakhs only) equity shares of Rs.10/- each. The proposed increase in Authorized Capital will consequently require alteration in Capital clause V of Memorandum of Association of the Company. The Ordinary resolution is therefore proposed at item no. 5 of the notice to increase the Authorized Share Capital of the Company and Special resolution is proposed at item no 6 of the notice for making necessary alterations in Capital clause V of Memorandum of Association of the Company. The Directors recommend these Resolutions at Item No.5 & 6 of the accompanying notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company or their relatives is directly or indirectly concerned or interested in this Resolution.

Item No 7.

The shareholders had approved the Suditi Employees Stock Option Plan 2011 (SUDITI ESOP PLAN 2011) recommended by the Board in the Twentieth Annual General Meeting held on 2nd September 2011 and subsequently modified by the members vide special resolution passed in their Twenty Fifth Annual General Meeting. Originally when the plan was approved, the company has considered only the employees working with the company and entered their name on the payroll of the company. Subsequently the company has incorporated two subsidiary companies namely Suditi Design Studio Limited and Suditi Sports Apparel Ltd in order to provide more focused attention on certain particular product segment of the apparel business. The contribution made by those employees is also of paramount importance to the company as the growth of the subsidiaries also helps in the growth of the parent company. Therefore contribution made by the employees of those subsidiary companies need to be recognized and rewarded. Since the proposal requires some modification in the Plan though not very major one, needs the approval of the members by way of special resolution to give effect to the proposal before incorporating the same in the plan.

None of the Directors or Key Managerial Personnel of the Company or their relatives other than the employees of the Subsidiary companies to the extent of their entitlements in the plan is in any way, concerned or interested, in the resolution set out at Item No.7 of the Notice.

The Board recommends the Special resolution set out at item no.7 of the Notice for approval by the members.

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai
Dated : 09/08/2017

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, 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 Six Annual General Meeting to be held on Friday the 29th September, 2017 at 11.30 a.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, 2017.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on **Tuesday the 26th September, 2017 (9.00 a.m. Indian Standard Time) and ends on Thursday the 28th September, 2017 (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, 2017, 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:

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

(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) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, 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, 2017.

(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 Sixth Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2017 and the Profit and Loss Account for the year ended on that date.

Financial Results: (Standalone)

(Rs. in Lakhs)

Particulars	Current Year Ended 31.03.2017	Previous Year Ended 31.03.2016
Export Sales	3.61	10.15
Local Sales	10474.21	8044.09
Other Income	39.37	56.71
Gross income	10517.19	8110.95
Profit before Interest and Depreciation	834.42	736.05
Finance Cost	290.79	298.55
Profit after Finance Cost	543.63	437.50
Depreciation	178.91	173.90
Profit / (Loss) before Tax	364.72	263.60
Provision for Tax	146.27	222.43
Profit / (Loss) after Tax before extra ordinary items	218.45	41.17
Extra Ordinary Items (Net)	-	105.50
Net Profit	218.45	146.67
Add: Brought forward from the previous year	1012.49	901.23
Transfer to Securities Premium / ESOP	30.68	-
Amount available for appropriation	1261.62	1047.90
Proposed Dividend	-	29.35
Tax on Proposed Dividend	-	6.06
Balance carried to Balance Sheet	1261.62	1012.49

Dividend:

In order to balance the growth and developmental activities of the company as well as to fulfill the aspirations of the public stakeholders, the promoters have in writing waived their entitlement on the profit distribution in the form of dividend if any declared by the company for the year 2016-17. 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 2017. No amount has been transferred to General reserve from the profits for the year 2016-17.

Operations:

The company has registered substantial improvement in the overall performance during the year under review in comparison to previous year. The company has achieved an increase of around 30% in the sales figures and a substantial increase of around 38% in the net profits before tax in comparison to previous year. During the year the Retail division continues to make substantial contribution towards the growth in the sales and also brought down the operational losses in comparison to the previous year. However the outlook of the Retail business separately as an independent business unit needs to be examined based on the prevailing economic and market conditions. Overall the business sentiment slightly became pessimistic due to various factors particularly from November

2016. Global economic conditions are still remaining weak due to the factors like protectionist measures followed in different part of the world. The company had anticipated a much better margin levels from retails business but had to offer very high level discounts to remain competitive in the market. Hence the company had to absorb some amount of the losses generated by the Retail business activities. Because of this the overall profit recorded by the company is lower than the projections for the year under review. In spite of all these developments, the country is in anticipation of improved economic conditions which can augur well for the textile sector and in general there is still great amount of optimism prevailing all over the country. The government is likely to come with new textile policy in view of lower absorption of the work force than anticipated. Further since the company is catering to the domestic market and it has a strong presence in the domestic market, there is no negative slide in the sales growth. However for the improvement of retail division the company is taking all possible measures particularly giving major thrust in the development of product ranges in the licentiate segments as well as in the development of the marketing network in other formats.

The company has taken various measures to strengthen the operations of the Retail division to make it a profitable business. The company has discontinued the Exclusive Business Outlets (EBO) and the focus is now more on the Large Format Stores (LFS), Multi Brand Outlets (MBO) and on line platform. Further the company is also plan to add more licentiate brand under the licentiate product segment. This will eventually help the Retail Division to improve their margins substantially. Finally regarding the pending EPCG License issue, the company has successfully redeemed one license where the liability of the company was substantial on account of the usage of the license amount and is now actively pursuing the case with DGFT office to resolve the other license at the earliest where the usage of the amount is very small in comparison to the redeemed one.

Export Sales:

The textile export market remained sluggish throughout the year because of continued economic slowdown in almost all parts of the world. Apart from this, the unhealthy competition followed by some leading textile goods manufacturing countries, has created a negative impact on the price segment of the textile items. Hence the export performance for the year is not as per the estimates made by the company. Because of these factors, the company continued to remain focused maximum in the domestic market. Overall the exports sales are not significant and these were mainly sent in the form of finished fabrics to neighboring country Bangladesh. The company continues its efforts to increase the volume of fabric shipments to Bangladesh and other neighboring countries and this largely depends on the global economic conditions as these countries in turn converts the fabric into garments for the export market. The company hopes for a breakthrough in its efforts to explore the possibility of developing new markets in African and Far East countries. However ultimately the positive changes in the global economic conditions particularly in the US and European economies can only pave the way for the growth of the global textile market. The company has now scale down the target of export from 50% to one-fourth of its capacity to the overseas customers with better value addition as the domestic market is becoming more attractive than export market for certain varieties of textile materials. Simultaneously the efforts are made to establish links with various reputed buyers to align with their brands in the overseas market to promote the exports in large volume.

In spite of the downward trend in the global textile market, the company continues to take active participation in various international Fairs/exhibitions. Once the stability in the global market is established, India can look forward to have a better market share than other competitors in the global markets. Hence the

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prospects for the company in respect of exports sales are still looking good in terms of better unit value realization and volume. Besides this, the company has the capability to make wide and better range of products particularly in printed and embroidery varieties. In view of these, company continues to follow its plans to increase the exports business both in volume and value.

New Licentiate Rights:

The company has developed and produced wide range of garments under licentiate rights executed with globally well known football clubs like FC Barcelona, Manchester City and media leaders like MTV. These brand LOGOS are embossed on the garments under licentiate rights acquired for India. The company is now a recognized name in this particular segment of garments. The company is fully aware of the strengths and weakness of this brands and accordingly a well thought out plan is there to add more such licentiate arrangements to ensure that there are always some effective brands under its umbrella throughout the period to ensure that even if some brands crosses its shell life, there are other brands to take the sales business forward without effecting the growth momentum of the company. Further the association with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh is also giving a big boost to the company in the sales as we have created a totally different clothing line under YWC label. Even though for the company this is the first such venture, the company has experienced encouraging response from the market and accordingly anticipates a good outcome from this venture in the next few years. The company is now also exploring other avenues on similar lines to promote the sales with better value addition.

Expansion:

As decided by the management the company has not undertaken any new capital projects during the year under review. Further in the prevailing circumstances, there is no major expansion plan in the current year except some addition of balancing equipments and replacement of old machineries and equipments. Similarly for the Retail division even though the company plans for some expansion, the same will be managed without any additional investment of capital nature.

Human Resources & Industrial Relations:

Human resources development is considered as one of the most important management function in the company. It consists of attraction, retention and development of talent in a systematic

manner as an ongoing process. Various programs are made that provide focused people attention. The emphasis is mainly 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:

The Board has approved the proposal to raise the Authorised capital from Rs.18 crores to Rs.25 crores. Since the company intend to raise funds in future through the issue of equity shares on preferential basis to investors/promoters/existing shareholders as well Qualified institutional placements, it has been decided to raise the Authorised capital to facilitate the same. Further during the year under review, the company has issued 88930 shares to employees under SUDITI ESOP PLAN 2011 in the month of May 2016 and accordingly the subscribed, issued and paid-up capital has increased from Rs.16.67 Crores to Rs.16.76 Crores. Apart from this, during the year under review, the company has not issued any class of shares like shares with preferential rights or sweat equity shares.

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

The company had made the first grant of options to the employees in the year 2013 under the Suditi Employee Stock Option Plan 2011. Apart from this, the company has further granted additional 13000 options in the year February 2017. In addition to this the company has also made another special grant of 111605 options in the month of February 2017 on the eve of Silver Jubilee year celebrations to some selected employees with long tenure as well as good record of service and contributed significantly towards the growth of the organization. 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 had earlier divided the total options granted on certain prescribed basis over a period of 5 years. However the same system is now discontinued in view of modification approved by the members in the Suditi Employee Stock Option Plan 2011 vide special resolution in the 25th Annual General Meeting. The share arising on exercise of the options shall be subject to a lock in period of 1 year from allotment. The four parts of the earlier grant has been vested till the date of 31st March 2017. The revised details are as follows:

Grant no.	Granted		Accepted		Rejected		Vested	Exercised	Lapsed	Balance vested
	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)				
First	83	350800	20	253200	63	97600	154115	88930	21000	65185
Second	20	13000	20	13000	0	0	0	0	0	0
Silver Jubilee	38	111605	38	111605	0	0	0	0	0	0

The disclosure of the details is as follows:-

- Options granted & accepted; 377805
- The pricing formula: At par
- Options vested: 154115
- Options exercised: During the year under review, in the month of May 2016, 12 employees have exercised their options under the SUDITI ESOP PLAN 2011.
- The total number of shares arising as a result of exercise of option: During the year under review, in the month of May 2016, the board allotted 88930 shares on the recommendation of the Compensation Committee for 12 employees on exercise their options under SUDITI ESOP PLAN 2011.
- Options rejected and lapsed: 118600 (consists of 97600 options rejected and 21000 options lapsed)

- Variation of terms of options: NA
- Money realized by exercise of options: 889300
- Total number of options in force: 267875
- Employee wise details of options granted to:
 - Senior managerial personnel: 220950 (includes 34250 options granted to Company Secretary & V.P. (F) and No Director is granted any options under Suditi ESOP Plan 2011).
 - 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
 - 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'.
Rs.1.30.
- (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.38,01,589/- and accordingly on proforma basis the company's basic and diluted earnings would have been Rs.1.08 and Rs.1.07 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: 6.69%
 - (ii) Expected life: 3 years
 - (iii) Expected volatility: 4.84%
 - (iv) Expected dividend: Rs.0.50 per share
 - (v) The price of the underlying share in market at the time of option granted: 1st grand Rs.7.68 and the second grand Rs.68.40.

Particulars of Employees:

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

Meetings:

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

Board Evaluation:

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

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

A declaration by an Independent Director(s) that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 has been submitted to the Board in the first Board Meeting for the year 2017-18. 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 making disclosure of such appointment in the Board's report.

Remuneration Policy:

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

Managerial Remuneration:

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

Details of Subsidiary/Joint Ventures/Associate Companies:

The company has incorporated two subsidiaries in the month of March 2015. One of the subsidiaries M/s. Suditi Design Studio Limited has commenced sales business activities while the other subsidiary M/s. Suditi Sports Apparel Limited is yet to commence their sales business operations. The details pursuant to sub-section (3) of section 129 of the Act (AOC-1), containing the salient feature of the financial statement of a company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures etc are annexed herewith in the Notes of the Accounts – Point 47. The Company has also presented the Consolidated Financial Results along with the Standalone Financial Results of the Company. The Consolidated Financial Results are the combined performance of the Company along with its Subsidiaries and the details of the same are provided along with Notes to Accounts.

Summary of Sales: (Rs. in Lakhs)

Particulars	Suditi Industries Limited	Suditi Design Studio Limited (Subsidiary)	Suditi Sports Apparel Limited (Subsidiary)	Consolidated
Sales	10517.19	2070.84	-	12464.38*
Profit	218.45	(6.21)	(3.18)	209.06**

* Consolidated figures are arrived net of Inter Company Sales.

** The Consolidated profit figures do not include minority interest.

The growth in the sales business activities of the subsidiaries has a direct impact on the performance of the holding company as they also sources their part of the material requirement from the Company at the best prevailing market rate on arms length basis. In addition to this it also increases the overall profitability of the

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holding company besides providing value addition and brand value to the Company in the Market. It enables the Company to ensure focused attention to the certain market segment which otherwise not catered or explored by the Company in the regular course of business.

Deposits:

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

Energy, Technology and Foreign Exchange:

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

Directors & the Key Managerial Personnel:

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

Directors' Responsibility Statement:

The Directors hereby confirm: -

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2016-17.

Corporate Governance:

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

Cost Audit:

In view of the new Companies (Cost Records & Audit) Rules 2014 and amendment thereof, the company is now out of the purview of the Cost Audit Report Rules. Hence the company has not appointed any Cost Auditor for the year 2017-18.

Auditors:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Chaturvedi & Co, Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the twenty third annual general meeting (AGM) of the Company held on September 12, 2014 till the conclusion of the Twenty Sixth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. In view of the expiry of their term, the company has proposed to appoint another audit firm in the place of the existing auditor. The board after careful review and based on the recommendation of the Audit committee has selected and proposed M/s Chaturvedi and partners, Chartered Accountants as the auditors for a period of 5 years from the conclusion of this Annual general meeting till the conclusion of the thirty first Annual general Meeting. Accordingly necessary resolution to this effect is proposed in the notice calling 26th Annual General Meeting for the approval of the members.

Secretarial Audit Report:

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

Internal Audit & Controls:

The Company has appointed M/s. Ram Agarwal & Associates as the internal Auditor to carry out the internal audit functions including the task of suggesting and implementing the recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Vigil Mechanism:

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

Risk management policy:

A statement indicating development and implementation of a risk



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

Extract of Annual Return:

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

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

There are no such material changes and commitments to report under this head, other than the proposal to increase the Authorized capital to facilitate issue of securities by the Board on preferential basis to the Institutional as well as other investors for the purpose of raising funds for supplementing the requirement of the expansion of Retail/Other business activities.

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

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

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

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

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

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

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

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 IV**

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

The company has set up a separate internal compliance committee under the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013." The Internal Complaints Committee is empowered to look into complaints relating to sexual harassment at work place of any women employee. Accordingly the Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and the Committee ensures that the said policy is properly implemented all over the company. 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 does not have any funds lying unpaid or unclaimed for a period of seven years in respect of unclaimed/unpaid dividends. Therefore there are no funds on this account which are required to be transferred to Investor Education and Protection Fund (IEPF). Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has already filed the necessary form and uploaded the details of unpaid and unclaimed amounts lying with the Company, as on the date of last AGM, with the Ministry of Corporate Affairs.

Listing with Stock Exchange:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-2018 to the Bombay Stock Exchange Limited where the Company's Shares are listed. Further the Board in their meeting held on 6th.February 2017 has approved the proposal to list the securities of the company with National Stock Exchange Ltd also.

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 and dedicated contribution made towards the growth of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 09.08.2017

PAWAN AGARWAL
CHAIRMAN & MANAGING DIRECTOR

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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 2017.

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 an important task and plays a crucial role in the development of any country. The company regularly observes and follows with utmost importance all the energy conservation measures practiced in the industry and takes all possible measures to implement them in the manufacturing units of the company to the maximum possible extent. Side by side the company also takes a active part in the environmental improvements plan and towards this extend the company has installed bag filters and other monitoring equipments which will help to improve the quality of the air in the factory.

(i)	the steps taken or impact on conservation of energy	The company continues to follow the measures taken in the previous years like installation of Auto Dosing controllers, replacement of old machines with energy saving machines, and continuous monitoring with effective preventive maintenance programme which helps the company to conserve the energy and to reduce the wastage of energy thereby saving in cost.
(ii)	the steps taken by the company for utilizing alternate sources of energy	The company is assessing with the suppliers of Solar power systems, the prospects of the usage of solar energy to support heating and daytime usage of lights in the plant.
(iii)	the capital investment on energy conservation equipments	The capital investments on the items installed till date are not very significant.

b) Technology absorption:

(i)	the efforts made towards technology absorption	There are no significant efforts made during the year in regard to technology absorption. However the company continues to monitor the various developments that unfold from time to time in this industry.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Up gradation of technology is mainly aimed towards quality improvement with cost benefits.
(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 (2016-17)	Previous Year (2015-16)
Total Foreign Exchange used	28.99	21.80
Total Foreign Exchange earned (FOB Value)	3.61	10.15

For and on behalf of the Board of Directors

Place: Mumbai

PAWAN AGARWAL

Date: 09.08.2017

CHAIRMAN & MANAGING DIRECTOR

Corporate Governance:

Report of the Directors on Corporate Governance:

Company Philosophy:

The company follows the corporate governance system with a view to achieve long term strategic goals to satisfy the stakeholder (shareholders, employees, customers, suppliers, government and community) and complying with the legal and regulatory requirements. It encompasses the morals, ethics, values, parameters, conduct and behavior of the company and management. It is the system by which companies are directed and controlled by the management in the best interests of the shareholders and other stakeholders ensuring greater transparency and better timely financial reporting. The company follows and practices the corporate governance policies and procedures based on the norms laid down by the Board within the overall framework of rules and regulations including SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Board of Directors:

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

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

Composition of Board of Directors:

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



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

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

Responsibilities and role of Independent Directors:

In the discharge of the functions by the board, the Independent directors play a very significant role in ensuring the implementation of Corporate Governance policies and practices as per the requirements of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 and other applicable laws. They enrich the Board with their vast experience and knowledge and take active part in the deliberations during the meetings of the Board and committees.

Board Meetings:

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, 2013 and also in accordance with the regulations of SEBI (Listing Obligations and Disclosure requirements) Regulations 2015 particularly with respect to those items listed in

the Schedule II Part A of Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Senior Management Personnel & Auditors are also intimated to attend the Board meeting, to provide additional inputs to the items being discussed by the Board. Notice and Agenda for the meeting along with relevant notes/explanations are circulated in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. The company also complies with the requirements of the Secretarial standards on the meeting of the Board of Directors.

Four Board Meetings were held during the year from 1st April 2016 to 31st March 2017. 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
30/05/2016	4	4
08/08/2016	4	3
02/11/2016	4	3
06/02/2017	4	3

Name of Director	Attendance at the Board Meetings held on				Attendance at the AGM held on 30 th September 2016
	30/05/2016	08/08/2016	02/11/2016	06/02/2017	
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes
Shri Sushilkumar Kasliwal	Yes	Yes	No	No	Yes
Shri Vivek Gangwal	Yes	No	Yes	Yes	Yes
Smt. Sanjula Sanghai	Yes	Yes	Yes	Yes	No

Details of Directors being appointed/re-appointed:

Smt. Sanjula Sanghai director of the Company retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. Apart from this, there are no other Director is appointed or reappointed during the year.

Board Committee:

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

Audit Committee:

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

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

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

All the committee members are professionals and also financially literate. The terms of reference of the Audit Committee cover the matters specified in respect of such committee under Regulation 18 (1) (c) of the Listing Regulations, as amended from time to time and Section 177 of the Companies Act, 2013.

The role of the Audit Committee and the information to be reviewed includes the matters specified under part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as section 177 of the Companies Act 2013.

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

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

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Name of Director	Category	Attendance at the Committee Meetings held on			
		30/05/2016	08/08/2016	02/11/2016	06/02/2017
Shri. Vivek Gangwal	Non-Executive	Yes	No	Yes	Yes
Shri. Sushilkumar Kasliwal	Non-Executive	Yes	Yes	No	No
Shri. Pawan Agarwal	Executive	Yes	Yes	Yes	Yes

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee was present at the 25th Annual General Meeting held on 30th September 2016.

Nomination & Remuneration Committee:

The Nomination & Remuneration committee (Referred as Remuneration Committee) is constituted with three members. Shri. Sushil Kumar kasliwal is the Chairman of the committee with Shri. Vivek Gangwal and Smt.Sanjula Sanghai are other two members. The Nomination & Remuneration Committee reviews and recommends the compensation payable to the Executive/Managing Director. Further the Committee is also entrusted with the task of periodical review of the compensation structure and policies of the Company. The terms of reference includes the matters specified under Part D of Schedule II to Regulation 19(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. Based on the Recommendation of the Nomination & Remuneration Committee, the Board have formulated and adopted Nomination and Remuneration Policy.

During the year under review the committee met once in 30th September 2016. The Committee had reviewed the terms of the re-appointment and the elements of remuneration payable to the Chairman & Managing Director and accordingly recommended to the Board to maintain the same levels till the next review.

Name of the Director	Salary	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri Pawan Agarwal	2100000	21600	-	-	2121600
2. Shri Sushilkumar Kasliwal	-	-	3000	2000	5000
3. Shri Vivek Gangwal	-	-	4500	3000	7500
4. Smt. Sanjula Sanghai	-	-	6000	4000	10000

Compensation committee:

The board has constituted a Compensation Committee to administer the SUDITI Employees Stock Option Plan 2011(SUDITI ESOP PLAN 2011). The same three members of the Nomination and Remuneration Committee members are inducted as its members and Shri. Vivek Gangwal is the Chairman of the committee. The committee had two meetings during the year under review on 27th May 2016 and on 15th February 2017. In both the meeting all the directors recorded their presence and the committee finalized the vesting of the options to employee covered under SUDITI ESOP PLAN 2011. The committee manages the entire aspects of the SUDITI ESOP PLAN 2011 and advises the Board from time to time on the various issues related to the SUDITI ESOP PLAN 2011.

Stakeholders Relationship Committee:

The Board has constituted the Stakeholders relationship Committee with 3 Directors chaired by Shri Sushilkumar Kasliwal. The other members are Shri Pawan Agarwal and Shri Vivek Gangwal. The terms of reference covers the matters specified under Part D of Schedule II to Regulation 20(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. The Committee approves transfers, transmission, splitting, and consolidation of shares. The Committee also closely monitors the redress of Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend etc. The committee also reviews the

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

Remuneration Policy:

The compensation policy followed in the company are reviewed as per the requirement with the objective of ensuring that the compensation levels of the Company are in line with industry standards followed in the area. The policy on appointment and remuneration including criteria for determining qualifications, positive attributes as well as independence of director and all other related matters including various other policies adopted by the Board are also available on the web site of the company.

The Committee reviews the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. The compensation policy of the company includes performance-oriented incentives for various staff and executives in the organization. Whole-time Directors compensations are recommended by the Committee in accordance with the various provisions of the Companies Act and Rules & regulations. Non Executive Directors have not drawn any remuneration from the Company except sitting fees for the Board Meetings attended by them. Details of remuneration paid to the Directors during the financial year ended 31st March 2017 is given below:

process, standard operating procedures, and initiatives taken by the Company relating to investor services. The committee ensures that all transfer/transmission/split/ consolidation etc are promptly attended and completed within the stipulated time period.

During the year under review, there were 15 meeting recorded by the committee and the details are given below.

Meetings were held on 04/04/2016, 20/04/2016, 20/06/2016, 13/07/2016, 18/07/2016, 08/08/2016, 12/08/2016, 30/09/2016, 05/12/2016, 23/01/2017, 31/01/2017, 06/02/2017, 14/02/2017, 20/02/2017 & 31/03/2017.

Name	No. of Meetings attended During the year	Attended all the Meeting
Shri Sushilkumar Kasliwal	15	Yes
Shri Vivek Gangwal	15	No
Shri Pawan Agarwal	15	No

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.



Number of Investor complaints pending at the beginning of the year : Nil
 Received during the year : 3
 Disposed during the year : 3
 Remaining unresolved at the end of the year : Nil
 Number not solved to the satisfaction of shareholders : Nil

Independent Directors' Meeting:

During the year under review, the Independent Directors met on September 30, 2016, inter alia, to discuss:

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

Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulations 17 of the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors including the chairman individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and other Compliance Committees. The evaluation is based 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/CFO & CMD

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

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

Vigil mechanism/ Whistle blower policy:

The company follows the above stated policy approved by the board. The Company complies with the requirements and no personnel have been denied access to the Audit Committee. The management 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	Financial Year	Date and Time	Venue of AGM
25 th	2015-16	September 30, 2016 at 3.30 p.m.	Walchand Hirachand Hall, 4 th floor, Lajji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai - 400 020.
24 th	2014-15	September 29, 2015 at 3.30 p.m.	
23 rd	2013-14	September 12, 2014 at 3.30 p.m.	

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

There were two special resolutions passed in the 25th Annual General Meeting.

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

Details of Special Resolution passed in the previous three Annual General Meetings:

2015-16:

- 1) Approval of the Shareholders vide special resolution for modification in the Suditi ESOP Plan 2011.
- 2) Approval of the Shareholders enabling the Board to keep and maintain the Register of members and share transfer registers and books at the R&T Agents Office.

2014-15:

- 1) Approval of the Shareholders to the Company to undertake transactions with the Related Parties pursuant to section 188 of the Companies Act, 2013.
- 2) Approval of the Shareholders to adopt New Articles of Association in places of existing Articles of Association in view of introduction of New Companies Act, 2013.

2013-14:

- 1) Approval of the Shareholders enabling the Board of Directors to borrow money in excess of paid-up share capital & free reserves as required u/s 180(1)(c) of the Companies Act, 2013.
- 2) Approval of the Shareholders enabling the Board to create charge over its assets, properties and licences by way of hypothecation, mortgage, lien, pledge etc in favour of lenders as required u/s 180(1)(a) of the Companies Act, 2013.

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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 ensures that there is a proper and regular system of communication followed 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 attaches significant importance to the role played by Shareholders and therefore promotes for open and active dialogue with all its Shareholders.

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

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

Details of Directors proposed to be re-appointed at the 25th 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 severally did not exceed in value in the aggregate of 10% of the total sales/purchase of the Company. The Audit Committee has reviewed the related party transactions as mandatory required under Regulation 23 of the Listing regulations and found them materially not significant. The detail report of the same is provided as annexure to this report.

2) The Company has not observed any significant variation in the accounting treatment from that prescribed to be followed generally in the preparation of the financial statements and complied with the accounting standards as specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies Account Rules 2014 to the extent applicable.

The significant accounting policies which are consistently applied have been set out in the "Notes to the Financial Statements".

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

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

General Shareholder Information:

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

Auditors Certificate on Corporate Governance:

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

Risk Management Committee:

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

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

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

The Management does not envisage any risk associated with commodity price or foreign exchange and there are no hedging activities undertaken by the Company. The composition of the Risk management Committee as at March 31, 2017 and details of the Members participation at the Committee Meeting are as under:

Name of the Member	Category	Attendance at the Risk Management Committee meeting held on 30/09/2016
Shri. Pawan Agarwal	Chairman & Managing Director	Present
Shri. Vivek Ganagwal	Director	Present
Shri.Sushilkumar Kasliwal	Director	Present
Shri.R. Chinraj	President	Present
Shri. Manoj Khemka	V.P.(Commercial & Accounts)	Present



CEO/CFO Certification:

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

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

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

- a. I have reviewed the financial statement and cash flow statement for the year ended 31st March, 2017 and to the best of my knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. I also certify that to the best of our knowledge and belief, there are no transactions entered into by Suditi Industries Ltd., during the year; which are fraudulent, illegal, or violative of the Company's Code of Conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies, in the design or operation of such internal controls, if any, of which I am aware and the steps that I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
 - i) Significant changes, if any, in internal controls during the year.
 - ii) Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.
- e. I affirm that I have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving misconduct, if any).
- f. All the Directors and Senior Management Personnel have confirmed compliance with the code of conduct/ethics for the year ended 31st March 2017.
- g. I further confirm that all Board members and designated senior management personal have affirmed compliance with their respective Code of Conduct for the Directors and senior management for the financial year ended 31st March 2017, as approved by the Board.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 09.08.2017

PAWAN AGARWAL
CMD & CEO/CFO

OTHER REQUIREMENTS

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

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:

Overall it was a satisfactory year for the company in terms of growth in the sales business and profit levels in comparison with the previous year. The year witnessed many turning events like demonetization; turbulent political and economic conditions all over the world, the company managed its business cycles successfully without making any major impact on the performance. The company has adopted multipronged strategy to achieve better growth in the sales as well as in the bottom lines. India's GDP growth has not increased significantly because of all these developments. However comparing to other countries in the world India still remains a major growing economy and the growth levels vary in the range of 7-8%. Because of this the domestic demand remained bullish and company continued to enjoy the benefits of the same. Demonetization took a toll on the Indian economy with the Gross Domestic Product during the fourth quarter, ending March this year, falling sharply to 6.1 per cent from seven per cent in the previous quarter while growth for the year as a whole also declined correspondingly. Industry reacted to the numbers saying these reflected the impact of demonetization. Hence the data released by the official agencies showed that India's GDP during the past fiscal grew at 7.1 per cent, at a rate lower than the around 8 per cent achieved in 2015-16.

As the country is forging ahead in the new era as the decks are cleared for the implementation of GST, India is set to have another year of strong growth propelled by healthy domestic dynamics. Even though experts are voicing their concern about jobless growth, administration is now taking various reforms to increase the employment prospects in the country. Textile is considered as the most ideal sector to support the government in this process. Fast labor force growth and a rapidly-expanding middle class shall continue to support private consumption. As per the forecasts from the different quarters, India will be a bright spot amid a gloomy outlook for developing countries in the next two years. Since the focus for the company is on the domestic market, the growth in the economy and the rising demand will help the company to achieve the targets with little efforts. Hence the company has set ambitious targets to take the lead in the future years.

Significant Financial Events of the Year:

During the year under review, the Company has recorded profit of Rs.364.72 lakhs before tax in comparison to Rs.263.60 lakhs pertaining to corresponding previous year. There is substantial improvement in the profit levels due to increase in the sales turnover by 30% in comparison to previous year. However even though there is growth in the retail business, the same is not on anticipated line due to sudden slump for some period in the market due to unexpected developments in the country. Now there are some visible signs of development in the economy and the conditions in the market are getting stabilized. Unfazed by all these factors, the company continued to follow the measures taken in the earlier years, to improve the operational viability of the Retail division of the company. In this context the company focused mainly to expand the market base by focusing on online sales, LFS and MBO. During the year the company has expanded the sales of products manufactured by using the licentiate rights acquired from FC Barcelona, Manchester City, and MTV. Further the company is aggressively marketing its products manufactured under YWC label for "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh. The company has drawn up very ambitious plan to achieve significant growth in the sales business under this label in the current year also.

The performance of one of the subsidiary M/S. Suditi Design Studio Limited is showing significant progress in terms of the growth in the sales both in value and volume. The other subsidiary M/S. Suditi Sports Apparel Limited has not yet commenced any sales business activities. The business operations are expected to commence very soon as the company is yet to carve out separately the sports related apparel business segment for this subsidiary. Another significant point to highlight is that the company has redeemed one EPCG license out of the two pending licenses and the liability shown under contingent liability has come down substantially on account of this redemption. Further the performance of the process house, printing unit and the garment unit continue to remain stable and satisfactory. After considering all these factors, the board has decided to recommend 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 in general is very sensitive to the changes in the global market conditions. In spite of that the Indian textile industry is set for strong growth, buoyed by strong domestic consumption. The exports businesses are going through various ups and downs and certainly there are some impact on account of these variations in the performance of the textile and apparel sector. The textile industry records an annual growth of around 6-8%. The domestic textile and apparel industry in India is estimated to reach USD141 billion by 2021 from USD67 billion in 2014. Textile and apparel exports from India is expected to increase to USD82 billion by 2021 from USD40 billion in 2014. Total cloth

production in India is expected to grow to 112 billion square meters by this FY17 from 63.5 billion square meters in FY14. Overall the sector is expected to touch around USD 226 billion by FY2023. Further the population is expected to reach to 1.34 billion by FY2019 and the urbanization is expected to support higher growth due to change in fashion and trends. The revised FDI limit in multi-brand retail also helps to bring in more players, thereby providing more options to consumers. This will bring more investments thereby giving rise to new opportunities by way of outsourcing of their requirements to the local manufacturers.

The opportunities arises from the fact that there is rising per capita income of our population, favorable demographics and a shift in preference to branded products to boost demand. In addition to this the favorable trade policies adopted by the government and the superior quality of the products manufactured are also driving our textile exports. The capacity built over the years has led to low cost of production per unit in India's textile industry thereby bringing strong competitive advantage to the country's textile exporters relative to key global peers. Further there is a shift towards the market of branded ready-made garment in the country. In this age of fashion, customer is searching for the quality and strength through the name of company. This gives opportunity to all the entrants to set themselves as a brand manufacturer either through aligning themselves with some reputed brands or promoting their own brand by taking the support of some distribution channels. Another notable opportunity is development of product under licentiate rights of big brands, reputed globally known sports clubs, sports events and festivals. Basically the Indian Textile Industry is an Independent & Self-Reliant industry. As India is blessed with abundant raw material, the industry is able 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. Another notable feature is that many celebrities are now eager to endorse their choice of brands and this will be major source of promotion in the future for apparels industry. This needs adequate facility to develop good products with a number of creative designs to offer large number of options to the customers. In this area the company is in the process of creating a niche in the market for manufacturing and selling apparels with wide designs apart from manufacturing under licentiate arrangements with various sports clubs or institutions related with the sports events.

Against the huge opportunity available to the Industry, there are some inherent weaknesses. The Textile Industry is highly fragmented with high dependency on cotton. Therefore the seasonal fluctuations in the cotton prices have a serious impact on the profit margins of the company. The productivity levels are not comparable with global standards. Even though the exit of China from some product segment has created some opening, China still holds the key in the international market in terms of competition. The fast changing technology in the industry is posing a serious challenge to the Indian manufacturers as it affects their competitive advantage. Further there is a problem for our Industry to strike a balance between quality and price of products as well as demand and supply. The Infrastructural bottlenecks and efficiency such as, Transaction Time at Ports and transportation time along with unfavorable labor laws and environmental issues add more problems to the already existing fragile structure of the industry. Continuous Quality Improvement is need of the hour as there are different demand patterns all over the world. As E-business is executed globally, the industry, instead of local competition, confronts with the global competition. Branded and Big companies have already stood with their names in this field. Mostly the consumers are habitual for these companies with their cost. Further the company shall include any formulas or policies that give it an edge in name recognition, brand positioning and bottom-line revenue as strength. For example, many designers have two avenues of distribution, a



couture line and a ready-to-wear, off-the-rack line more accessible to buyers with average incomes. This is strength because it allows the designer's name to reach a larger audience of potential customers and the brand to make more sales. For example, Giorgio Armani includes high-priced couture and a ready-to-wear line available through Armani Exchange; Issac Mizrahi designs both couture and a ready-to-wear line sold exclusively through retailer Target. The company also uses its product line and distribution channels in such a way that becomes its strength in the competitive market. Similarly the company considers any unusual or unnecessary costs, development of unpopular designs or lack of presence in a particular region as its weakness. A lack of any of the strengths is considered a weakness within SWOT analysis. Look at the politics of each region, both in itself and in relation to the U.S., to identify opportunities. Watch for the repeal of trade embargoes, a new or newly accessible source of raw materials such as fabric or thread or a newly green source of raw materials like sustainable natural fabric fiber. Technological advancements in machinery are also opportunities when the technology makes production or distribution faster or increases its scale, such as machines that cut more garment pieces at a time. There are unique ways like compare the brand with its competitors. What strengths, weaknesses, opportunities and threats are the same? Which are unique to a competitor or to us? Make changes to capitalize on our strengths and turn both our competitors' strengths and weaknesses into our strengths. Capitalize on our existing opportunities. Find ways to turn threats into opportunities. Hire a lobbyist, consultants, negotiate with identified persons, and arrange our own natural raw materials supply. Consider working with competitors to circumvent a threat if the threat is too big to eliminate on your own.

The company understands these factors and constantly assesses all these emerging opportunities while keeping a close look on all the unfavorable factors to ensure that the company is able to utilize the opportunities to the best advantage. The company oversees that there is synergy between the product range, the cost of production and the selling price. The company continues to develop new product range for the Retail business to expand the scope of existing business levels. The subsidiaries are also encouraged to develop the ambitious business plans like selling apparels linked with some special events, as well as with ethnic designs and patterns. In view of inherent strength build up over two decades, it is now well placed to take substantial advantage of this opportunity in the global textile market as well as in the local market.

Industry Structure & Development:

Textile and apparel industries are vital parts of the world economy, providing employment to tens of millions, mostly, women workers in nearly two hundred countries. The garment industry is experiencing production and organizational changes globally, with deepening trade activity altering employer – employee relations. The world garment industry is on the threshold of far reaching institutional changes in the near future. Despite being one of the most global industries in the world, the exemplary trade practices in a globalizing world are still distorted in favor of advanced economics. Over the past 3-4 decades, trade restrictions, price and quality; have come to play a major role in conditioning the patterns of the sector's development. Traditional giants in the production of textile and apparels are China, India, Pakistan and Vietnam which are competing with each other. Although the industries are geographically dispersed throughout the world, today, China dominates the scene with respect to textiles and apparels. Globalization is inevitable and unavoidable under the present world economic situation. Many industries are affected positively or negatively with the globalization trend. The textile industry is no exception. It has been facing a crisis situation in the past few years. It faces a tough competition in the world market. Indian Textile industry has been witnessing a big structural change, continuously reinventing and rediscovering it to meet the needs of

the stringent global buyers. Indian Companies have started raising their standards and also aggressively pursuing their human resource strategies aimed at image building as well as overall growth. India is emerging from the past to set up strong vertically integrated textile operations and aiming to become a leading source to the world for its high-end textile needs, from yarns to fabrics to readymade garments. It may be true that India is likely to emerge as one – stop source for creative textiles, offering a formidable combination of product development skills and infrastructure for the contemporary, high-value products across every fibre group. With over 1700 textile mills, about 40 lakhs people are employed in handlooms, hosiery and processing units the textile industry is the single largest industry in the country. Exports of cotton have also emerged as a major source of foreign exchange earnings for the country. The ratio between woven clothing and knitwear shows an increasing trend in knitwear in the US market.

Sustainability today has become a necessity driven by consumer awareness and preference for sustainable products, compliance norms, and a realization that to secure the future it is important to act today. Life cycle approach to sustainability in textile and apparel industry entails ensuring the three facets of sustainability – social, economic and environmental. These are being addressed in the following stages: Fibre production, textile manufacturing, garment manufacturing, distribution, retailing, consumption, and aftermarket. The Government policy has changed from earlier objective of maintaining the incipient export growth momentum to increasing production and productivity in cotton and cotton yarn, enhancing value addition in garmenting and apparel sectors, promoting rich heritage of handlooms and handicrafts, institutional strengthening in jute sector, and enhanced acreages under mulberry production and safeguarding employment opportunities. It is now attracting larger capital flows and foreign direct investment by providing fiscal stimulus, increased the plan allocation, encompassing an enhanced allocation for Technology Up-gradation Fund Scheme (TUFS).

The clothing and textiles products begin as fibers – which are either natural (e.g. cotton, silk, wool), man-made (made from cellulosic's, e.g. viscose) or synthetic (oil used to create polymers, e.g. polyester, acrylic and nylon). The 'flat' fabric must then be formed into a '3D shell' to be useful as clothing. From the design of a garment to the pressing and packaging of a finished product a range of processes are required – each with different requirements for capital, technology and labour: designing, pattern making, grading, nesting and marking, cutting, sewing, quality inspection, pressing and packaging. There is continuous development of technology at all levels of these activities aiming at reduced labour intensity and quicker delivery. Instead, the industry has relocated in pursuit of cheap labour (often women) – for whom a low paid job performing repetitive tasks in a factory is more attractive than any of their other options. However, due to innovations in knitting machines, knitwear is increasingly made by machines – delivering seamless whole garments. Some other production technology innovations include laser cutting of fabric, automated sewing machines that 'learn' operations from humans and ink jet printing of fabric or made-up garments. Integration of computer aided design and manufacture in the whole supply chain is being developed to reduce lead times and improve the quality and performance of products. Recent research in the industry has aimed to transfer technologies from the automotive industry to use 'new industrial robotics' to reduce the need for expensive labour. This is economically attractive for manufacturers in developed countries with high costs – but potentially will remove important employment opportunities in developing countries. The sector has also seen a rapid adoption of novel IT solutions for production system control and virtual design, stock control, replenishment and real-time monitoring of fashion trends. Rapid development in the online retail is making the industry vibrant and always provides robust growth. Present market is always in a

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search of new or innovative Textile products, which always put a pocket money burden on consumer and financial burden on manufacturer.

The Company regularly assesses and monitors the fast moving developments and changes in the structure and the business styles in the industry. The company takes necessary measures to ensure that the company operates with necessary flexibility to adapt to the changes. The company has learned the methods followed in the Retail marketing and accordingly adjusted its marketing network in a very short span of time. The company is now in the process of expansion of the Retail business through franchisee models only and there is no plan to spend any money on account of capital expenditure by setting up its own outlets. Apart from this the company focuses mainly in the online marketing platform as well as social networking sites. The company is also gradually specialized in the manufacture and sale of apparels specially designed with some sports event and sports promotion campaigns and clubs from the past experience. Accordingly based on the past experiences subsidiary companies are put into operation to develop retail business in different formats and product ranges. The company has made arrangements to develop and supply wide range of products to all its customers which includes embroidery items, printed garments and apparels with new ethnic designs and patterns. The manufacturing facilities and product ranges are always upgraded and kept in line with the latest trends and requirements of the market.

Performance:

Overall there is growth in the sales as also in profits in comparison to the last year. However Retail division can make further improvement in the performance as it is not as per the anticipated levels. The company had anticipated lower export sales due to sluggish market and economic conditions all over the world. Because of all these factors the profits are not as per the projected levels which again can also be attributed due to absorption of some losses from Retail operations.

(Rs.in Lakhs)

	2016-17	2015-16	Percentage Change
Local Sales	10474.21	8044.09	30.21
Export Sales	3.61	10.15	(64.43)
Other Income	39.37	56.71	(30.58)
Total:	10517.19	8110.95	29.67

The Company has taken some major initiatives to improve the business of Retail division. The focus is now more on sales through LFS and MBO apart from the online platforms. The company has also made some major changes in the product development and sales strategies. New business models adopted by the company are now pushed further to cover broader areas of the market and also sales of apparels manufactured under licentiate arrangements and also in alignment with sports personalities. The Company has managed its borrowings prudently that the incident of finance cost has started coming down significantly. Because of all these developments, the company is expecting substantial improvement in the profitability as well as in the sales for the current year 2017-18.

Earnings per share:

The Company's earnings per share for 2016-17 is Rs.1.30 as against Rs.0.88 per share during 2015-16.

Investments:

The Company continues to hold investment of 2880 Nos. of equity shares of IDBI Bank Ltd., in the Demat form. In addition to this the company has also subscribed to the Equity share capital of both the subsidiaries amounting to Rs.90 lakhs. (comprising 900000 shares (@ face value of Rs.10/- each).

Tangible Assets:

All the assets are insured and maintained appropriately. In view of increased retail business activities there are some changes in the current assets and current liability levels and the current ratio position as on 31st March 2017 is 1.46.

Human Resources:

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

Risk and Concerns:

Textile exports can be considered as reasonable because of otherwise dull exports scenario in FY16. A weaker rupee and firm overseas demand helped the sector add US\$ 40 bn to overall exports of US\$ 310 bn, second only to engineering goods. Readymade garments, which accounts for nearly half of all textile exports at US\$ 14.9 bn, grew by 15.5%. Relatively lower cost of cotton helped the margins of export dependant textile industry to grow in FY16. However, even though these trends are temporary in nature, in the long run pressure on margins could increase the debt levels of the players in the sector.

The Trans-Pacific-Partnership (TPP) a duty free trade agreement between 12 nations may impact the Indian textile and garment export sector negatively and put Indian textile exports of around US\$ 40 bn at risk over the medium term. The TPP member nations led by the US account for 40% of world trade and the deal gives them duty free access to each other, and makes imports from other countries uncompetitive. Exclusion of India's clothing products from US GSP benefits is yet another source of comparative disadvantage for the sector. If this was not enough, to comply with its commitments to WTO, India will soon have to phase out its export incentives — latest by 2018. India has already achieved a per capita GNP of US\$ 1,000 at 1990 prices. India's global export share in textile and clothing has already crossed 3.25% threshold required by WTO to be termed as export competitive with obligation to phase out export subsidies. The adverse impact of demonetization on disposable incomes and hence consumer spending will result in poor demand for apparels in the FY17. The resulting inventory accumulation with the retailers will, in turn, cause deferment of purchases from apparel and home-textile manufacturers (focused on domestic market) in the near term, besides resulting in stretched payments. This, in turn, will affect the cash flow of the textile industry and is likely to drive a constraint in the demand for the entire textile value-chain. The overall impact on the sector, however, is expected to be limited as one-third of the Indian textile industry is estimated to be export focused (directly or indirectly). Also, as the demand reverts back to a steady state over the next few months with expected improvement in liquidity, this impact will be neutralized.

In an era of uncertain global market, nature of the risk vary from short-term, medium term to long-term risks which stem from geopolitical tensions, volatility in financial markets, stagnation and low potential growth in advanced economies and decline in potential growth in the emerging markets. Manufacturing is a labour intensive process, whereas in the inflation ridden economy of India, there is a constant demand for rising wages for workers. So, increasing labour cost is also a major challenge before the industry compared to countries like Vietnam and Bangladesh. Our labour force has low productivity in comparison to other competing countries and there is a need to upgrade the skill. On the power



cost front, India has big challenge to overcome as power in India is relatively dearer as compared to origins like Vietnam, Indonesia, Bangladesh and Turkey. India lacks in trade pact memberships, which leads to restricted access to the major markets and make the industry uncompetitive sometimes. Since, garment exports don't have large profit margins, investment is low and that is the reason the industry hasn't grown as much in India as compared to many countries. The Indian retail market is still underdeveloped. There are many infrastructure bottlenecks like poor, infrastructure relating to transport, communication, banking, port congestion, custom clearance which also pose a challenge for the industry. The unhealthy competition and poor infrastructure facilities are other major concern for the industry to restrict its growth. Due to poor infrastructure facilities, the production and transaction costs remain high in India.

The political risk may be defined as the probability that a political event will impact adversely on a firm's profit. The political risk represents the financial risk associated with the change in the government policies. This risk covers items like restriction on remittances in the buyer's country or any government action which may block or delay payment in rupees to the exporter, War, revolution or civil commotion in the buyer's country. Further there are other risks like operational risk resulting from inadequate or failed internal processes, people and systems, or from external events. The Employee risk relating to the health and safety issues are a constant problem in the garment industry. Purchasing power risk results in the loss of purchasing power due to the effects of inflation. Further there is also Technology risk due to changes in the technology followed in the units. The other type of risk confronted by the industry is Counter party risk where the other party in an agreement defaults and fails to comply with the terms and conditions of the contract. This is very much a possibility in licentiate type of business. There is buyer risk related to insolvency of the buyer. There are other risks like hazard risk, currency risk price risk, Liquidity risk, Settlement Risk and credit risks. The industry is always exposed to uncertainty which gives rise to these types of risks.

The company follows proper and effective risk management system and the board has a designated a separate committee to analyze and monitor these risks. There is proper system for evaluation of risks on a regular basis. Adequate steps are taken to ensure that the company is properly safeguarded against these risks. The company has already put in place certain policies and procedures to address some of the risks like financial risks, credit risks, operational risks and hazard risks. The company monitors all these developments which have bearing on the company's goals and adequate steps are taken to ensure that maximum level of safety coverage is provided to the company against these risks.

Internal Controls & Systems:

There is an effective internal control and systems to review all the functions and procedures. Periodical and systematic evaluation of the Internal Controls and Systems are made to ensure its effectiveness and this enables the Company to check any major revenue leakage or wastage of resources. Further these Systems and procedures are also reviewed by Internal Auditors through checking, inspection and verification. The Internal Auditors make a comprehensive Audit plan to identify various risk, wastage, and revenue leakages apart from identifying any non-compliance of statutory or other legal requirements. The Internal Audit process involves identification of the risks perceived for any particular function. The review and evaluation of the effectiveness of the existing controls are made to ensure adherence to policies, systems, with recommendations for improvement. Apart from this the company has formulated internal financial control that includes a risk based framework to ensure orderly and efficient conduct of its business, safeguarding assets and accuracy and completeness of the accounting records, and assurance on reliable

financial information. The Audit Committee also reviews the recommendation and suggestions placed before them and necessary actions are initiated accordingly.

Outlook:

The domestic apparel market has grown at a CAGR of around 10 per cent over the last five years with growth in the economy and rising income levels, and is expected to maintain the growth rate over the medium term. While there could be short term blips on account of moderation in economic growth and increase in inflation or interest rates as witnessed in FY 2009 and FY 2012, the long term prospects for the industry is favorable. Textiles exports from India will touch US\$185 billion by the year 2024-25. The Indian textile industry has strength across the entire value chain. Its share in the nation's GDP is 6% and 13% in exports. Its share of global exports is around 5% where as it was expected to rise quickly towards China's level. The Chinese share in Global exports are 39%. Vietnam and Bangladesh have shown remarkable success. Taking innovative measures in partnership with the industry and learning from experience, India could aspire to achieve 20% growth in exports over the next decade. In any case the achievement of 15% growth rate in exports should be feasible. In the domestic market, sustaining an annual growth rate of 12% should also not be difficult. This implies that with a 12% CAGR in domestic sales, the industry should touch a production level of US \$ 350 billion by 2024-25, from the current level of about US \$ 100 billion for the domestic market. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as anticipated strong export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players into the Indian market. With global retail brands assured of a domestic foothold, outsourcing will also rise significantly giving more opportunities to the local manufactures.

The company is very optimistic about the future as the data indicates a strong surge in the growth for demand in the textile sector particularly through retail sales. The company is all set to take active part in the healthy competition particularly in the development of new products with new designs and patterns. The company has the necessary infrastructure and facility to cope with the new requirements in the domestic market. Further the licentiate line of business chosen by the company has very few competitions. Hence the company is anticipating substantial increase in the growth rate of retail garment business in the next few years. This will eventually help the company and its subsidiaries to increase the profit margins of their Retail business. The growth in the garment and exports business in the country will have a favorable impact on the processing unit of the company in terms increase in the profitability due to better sales value realization. All these developments augment well for the Company.

Cautionary Statement:

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

For and on behalf of the Board of Directors

Place: Mumbai
Date: 09.08.2017

PAWAN AGARWAL
CHAIRMAN & MANAGING DIRECTOR

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Shareholders' Information

Registered Office:

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

Factory & Admn. Office:

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

Knitting and Garment Division:

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

Annual General Meeting:

26th A.G.M.

Date and Time:

29th September, 2017 – 11.30 a.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)

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

Quarter	Date of Board Meeting
1 st Quarter	08/08/2016
2 nd Quarter	02/11/2016
3 rd Quarter	06/02/2017
4 th Quarter	29/05/2017

Date of Book closure:

23.09.2017 to 29.09.2017 (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.

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 2016-17 has been paid to The Bombay Stock Exchange Ltd.

Delisting:

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

Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of 15 days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects. Similarly Dematerialisation requests are also processed within 21 days from the date of the receipt to give credit if the

shares through the depositories. In compliance with the Listing Agreement with the Stock Exchange and the Listing regulations, every six months, a practicing Company secretary audits the system of Transfers and a certificate to that effect is issued. The Stakeholders Relationship committee is entrusted with the task and the details of the committee are stated separately in the report.

Nomination facility for shareholding

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

Permanent Account Number (PAN)

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

Payment of dividend through National Electronic Clearing Service (NECS)

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

Dematerialization:

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

The break-up of equity shares held in Physical and Dematerialised form as on March 31, 2017, is given below:

Particulars	No. of Shares	Percentage
Physical Segment	1370460	8.175%
Demat Segment		
NSDL	14126897	84.273%
CDSL	1265876	7.552%
Total	16763233	100.000%

Reconciliation of Share Capital Audit:

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

Complaints:

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

Unclaimed Dividend:

Unclaimed dividend (not due for transfer to IEPF) as on 31st March, 2017 is Rs.2245238. However there is no unclaimed Dividend account due and pending for transfer to IEPF.

SUDITI INDUSTRIES LTD



Market Price Data:

Source (Website – bseindia.com)

The Stock Exchange, Mumbai.

Month	Low (Rs.)	High (Rs.)	Monthly Volume
April, 2016	21.05	28.95	19866
May, 2016	25.15	34.85	112223
June, 2016	26.00	35.15	116171
July, 2016	34.00	41.50	101126
August, 2016	32.50	41.05	77440
September, 2016	33.00	50.90	208387
October, 2016	41.60	52.50	70127
November, 2016	37.25	59.40	29374
December, 2016	40.00	63.90	977629
January, 2017	53.60	30.90	233846
February, 2017	58.05	70.80	167681
March, 2017	59.20	69.50	98913

Stock Code:

Bombay Stock Exchange Ltd. (521113)

The ISIN Number is:

INE691D01012 (NSDL & CDSL)

Share Transfer Agent:

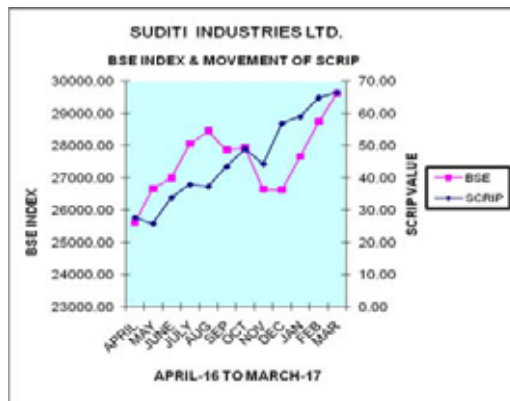
M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai – 400 072.

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 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL). In compliance with the requirements, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

Stock Price Suditi v/s BSE Sensex:

Source: R&T Agents



Distribution of shareholding as on 31st March, 2017:

Category	No. of Cases	% of cases	Amount	% of Amount
Upto 5000	1011228	94.47	13081760	7.80
5001 – 10000	281	2.62	2293950	1.37
10001 – 20000	109	1.02	1749940	1.04
20001 – 30000	70	0.65	1774240	1.06
30001 – 40000	33	0.31	1136420	0.68
40001 – 50000	19	0.18	902690	0.54
50001 – 100000	32	0.30	2412660	1.44
100001 and above	48	0.45	144280670	86.07
Total:	10704	100.00	167632330	100.00
Physical Mode	7960	74.36	13704600	8.18
Electronic Mode	2744	25.64	153927730	91.82
Total:	10704	100.00	167632330	100.00

Shareholding Pattern as on 31st March, 2017:

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	–	–	–
Foreign Promoters	–	–	–
Non-Resident Indians	489	165022	0.984
Nationalized Banks	6	1200	0.007
Other Bodies Corporate	79	234697	1.400
Directors	1	11890700	70.933
Company Promoters	10	390800	2.332
Individuals / Others	10092	4058110	24.208
Overseas Corporate Bodies / Foreign National	–	–	–
Clearing Members	27	22704	0.135
Grand Total:	10704	16763233	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 – 400 705.
- C-3B, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai – 400 705.

Address for Correspondence:

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

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Annexure II

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

- a) The ratio of remuneration of each director to the median remuneration of the employees; 11.53:1.
- b) % increase in remuneration of each Director, KMP and of % increase in median remuneration of employees
- % increase in remuneration of CMD Nil (remuneration revised w.e.f. Feb, 2015)
- % increase in remuneration of KMP Nil
- % increase in remuneration of median 3%
- c) Number of permanent employees on the rolls of the company as on 31st March, 2017 is 179 (including CMD).
- d) Justification of increase in managerial remuneration with that of increase in remuneration of other employees: There is no increase in the remuneration of CMD during the year under review. The remuneration of the CMD is revised by the Board generally only on the basis of the performance level of the Company, whereas employees salary is revised every year. The last revision of CMD's remuneration was made in the year February 2015. Therefore there is no increase made during the year 2016-17 as decided by the Nomination & Remuneration Committee and the Board.
- e) Affirmation that remuneration is as per remuneration policy of the Company.

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

SUDITI INDUSTRIES LIMITED

Place: Mumbai
Date: 09.08.2017

PAWAN AGARWAL
CMD & CEO/CFO

Annexure II (b)

Sr. No.	Name	Designation	Remuneration	Nature of Employment	Qualification	Exp (Approx)	Date of Commencement	Age	Last Employment	Whether relative of any Director/ Manager of the Company	No. of shares held
1	Shri Pawan Agarwal	Chairman & Managing Director	2100000	Contractual	B.Com	31 years	Promoter Director	19.12.1965	Promoter and family business	Promoter Director	11890700
Top Ten Employees:- (None of the Employees hold shares more than 2% of the Capital of the Company)											
1	Mr. Animesh Maheshwari	V.P. - Retail	2285896	Non- Contractual	Post Graduation Diploma in Retail Management	12 years	16.11.2009	07.09.1983	Gri & Jony Ltd.	No	15400
2	Mr. R. Chinraj	President	1493648	Non- Contractual	B.Tech	41 Years	01.08.2003	25.03.1950	Kasha Syntholice Pvt. Ltd.	No	105700
3	Mr. Manoj Khemka	V.P. Commercial & Accounts	1429369	Non- Contractual	FCA	16 Years	22.11.2010	05.12.1978	The Loot (India) Pvt. Ltd.	No	8693
4	Mr. H.Gopakrishnan	V. P. Finance & Co. Secretary	1417749	Non- Contractual	AICWA, ACS	31 years	28.07.2004	08.07.1957	Aarey Drugs & Pharmaceuticals Ltd.	No	16250
5	Ms. Geeta Anand	G.M. - Mercandising	1386635	Non- Contractual	B.COM	23 years	10.09.2015	18.01.1972	Caenik Exports	No	3600
6	Mr. Deepak Naik	V.P. Factory	1284402	Non- Contractual	INT.COM,DBM/MKTG	41 Years	01.12.1992	14.09.1955	Velo Industries	No	21650
7	Mr. Pankaj Lalwani	Senior V.P. - Retail	1186224	Non- Contractual	B.COM	30 Years	16.10.2015	21.03.1963	B.J. Textiles Company Limited	No	1178
8	Ms. Gloria Vital	Sr. Merchandiser	982719	Non- Contractual	BA	26 Years	12.11.2007	24.12.1967	Texttrade International Pvt. Ltd.	No	0
9	Mr. Pratul C. Jena	Production Manager- Garment & DGFT	841172	Non- Contractual	B.A. Diploma in DTCD & DGFT	16 Years	01.07.2011	20.05.1975	Wearology Ltd.	No	0
10	Mr. Sibaash Biswas	G.M. Product Development	818770	Non- Contractual	PGD/BMA/SIMBOSS	18 Years	16.06.2016	11.08.1976	Gogo International	No	0

Annexure II (b)



Annexure III

EXTRACT OF ANNUAL RETURN

As on financial year ended 31-03-2017

[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	44%
b.	Manufacturing of Knitted cotton textile products, crocheted cotton textile products	17301	56%
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	80.00%
b	Suditi Design Studio Ltd	U18204MH2015PLC262897	Subsidiary	98.85%

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2016				No. of Shares held at the end of the year 31/03/2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(1). INDIAN		0				0			0
(a). individual	12481300	0	12481300	74.854	12281300	0	12281300	73.264	-1.59
(b). Central Govt.		0				0			0
(c). State Govt(s).		0				0			0
(d). Bodies Corpp.	200	0	200	0.001	200	0	200	0.001	0
(e). FIINS / BANKS.		0				0			0
(f). Any Other		0				0			0
Sub-total (A) (1):-	12481500	0	12481500	74.855	12281500	0	12281500	73.265	-1.59
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0			0
(b). Other Individual		0				0			0
(c). Bodies Corporates		0				0			0

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(d).Banks / FI		0				0			0
(e). Qualified Foreign Investor		0				0			0
(f). Any Other Specify		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	12281500	0	12281500	73.265	-1.59
(B) (1). PUBLIC SHAREHOLDING									
(a). Mutual Funds		0				0			0.000
(b).Banks / FI	700	500	1200	0.007	700	500	1200	0.007	0.000
(c). Central Govt.		0				0			0.000
(d).State Govt.		0				0			0.000
(e). Venture Capital Funds		0				0			0.000
(f). Insurance Companies		0				0			0.000
(g).FIs		0				0			0.000
(h).Foreign Venture Capital Funds		0				0			0.000
(i). Others (specify)		0				0			0.000
Sub-total (B)(1):-	700	500	1200	0.007	700	500	1200	0.007	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	91973	103900	195873	1.175	100594	102100	202694	1.209	0.034
(ii). Overseas		0				0			0.000
(b). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	872567	1105460	1978027	11.863	973606	1075360	2048966	12.223	0.360
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1705179	154900	1860079	11.155	1954244	54900	2009144	11.985	0.830
(c). Other (specify)									
Non Resident Indians	17749	139500	157249	0.943	27422	137600	165022	0.984	0.041
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	375	0	375	0.002	54707	0	54707	0.326	0.324
Trusts		0				0			0
Foreign Boodies - D R		0				0			0
Sub-total (B)(2):-	2687843	1503760	4191603	25.138	3110573	1369960	4480533	26.727	1.589
Total Public Shareholding (B)=(B)(1)+ (B)(2)	2688543	1504260	4192803	25.145	3111273	1370460	4481733	26.734	1.589
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	15170043	1504260	16674303	100.00	15392773	1370460	16763233	100.00	0.00

SUDITI INDUSTRIES LTD



Company : Suditi Industries Ltd from 01-04-2016 to 31-03-2017

Shareholding of promoters MGT9 Report

I No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% 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	PAWAN KISHORILAL AGARWAL	12090700	72.511	0	11890700	70.933	0	-1.578
2	SHALINI PAWAN AGARWAL	209600	1.257	0	209600	1.25	0	-0.007
3	RAJENDRA KISHORILALL AGARWAL	51000	0.306	0	51000	0.304	0	-0.002
4	ARCHANA AGARWAL	50000	0.3	0	50000	0.298	0	-0.002
5	HARSH PAWAN AGARWAL	22500	0.135	0	22500	0.134	0	-0.001
6	TANAY PAWAN AGARWAL	22500	0.135	0	22500	0.134	0	-0.001
7	TANUJ PAWAN AGARWAL	22500	0.135	0	22500	0.134	0	-0.001
8	MEENA GUPTA	10000	0.06	0	10000	0.06	0	0
9	SHILPA AMIT AGRAWAL	2500	0.015	0	2500	0.015	0	0
10	BLACK GOLD LEASING PRIVATE LIMITED	100	0.001	0	100	0.001	0	0
11	R PIYARELALL PVT LTD	100	0.001	0	100	0.001	0	0

Change in Promoter's Shareholding(Please specify,if there is no change)

Sr. no.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning/ end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	PAWAN KISHORILAL AGARWAL	12090700	72.511	01-04-2016				
				09-12-2016	-200000	Sold	11890700	70.933
	-Closing Balance			31-03-2017			11890700	70.933

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/ end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	GAURAV MAGANLAL GALA	228083	1.368	01-04-2016				
				15-04-2016	200	Buy	228283	1.369
				27-05-2016	1000	Buy	229283	1.375
				03-06-2016	1500	Buy	230783	1.384
	-Closing Balance			31-03-2017			230783	1.377
2	NIKHIL VORA	2735	0.016	25-11-2016				
				16-12-2016	196939	Buy	199674	1.191
				06-01-2017	5487	Buy	205161	1.224
	-Closing Balance			31-03-2017			205161	1.224
3	MAHESH GOENKA	150500	0.903	01-04-2016				
	-Closing Balance			31-03-2017		No Change	150500	0.898
4	MAHESH GOENKA (HUF)	145750	0.874	01-04-2016				
				01-07-2016	100	Buy	145850	0.87
				05-08-2016	1100	Buy	146950	0.877
				19-08-2016	100	Buy	147050	0.877

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				02-09-2016	300	Buy	147350	0.879
	-Closing Balance			31-03-2017			147350	0.879
5	MAGANLAL ARJAN GALA	146353	0.878	01-04-2016				
	-Closing Balance			31-03-2017		No Change	146353	0.873
6	SHRADDHA DEVI SARAF	130798	0.784	01-04-2016				
	-Closing Balance			31-03-2017		No Change	130798	0.78
7	HARIVALLABH MUNDHRA	132844	0.797	01-04-2016				
				08-04-2016	9663	Buy	142507	0.855
				20-05-2016	-4000	Sold	138507	0.831
				03-06-2016	400	Buy	138907	0.833
				17-06-2016	-400	Sold	138507	0.831
				24-06-2016	-500	Sold	138007	0.823
				08-07-2016	-1337	Sold	136670	0.815
				15-07-2016	-5163	Sold	131507	0.784
				26-08-2016	500	Buy	132007	0.787
				09-09-2016	-3500	Sold	128507	0.767
	-Closing Balance			31-03-2017			128507	0.767
8	RAJAGOPALRAJA CHINRAJ	107700	0.646	01-04-2016				
				24-06-2016	18000	ESOP	125700	0.750
				17-03-2017	-20000	Sold	105700	0.631
	-Closing Balance			31-03-2017			105700	0.631
9	RAJKUMAR SARAF	102715	0.616	01-04-2016				
	-Closing Balance			31-03-2017		No Change	102715	0.613
10	LEELA MAGANLAL GALA	96916	0.581	01-04-2016				
	-Closing Balance			31-03-2017		No Change	96916	0.578
11	TEJASH PATEL	82891	0.497	01-04-2016				
	-Closing Balance			31-03-2017		No Change	82891	0.494

Shareholding of Directors and Key Managerial Personnel:

Sr. no.	Name	Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			% of total Shares of the company
		No. of Shares at the beginning/end of the year	% of total Shares of the company]	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
	At the beginning of the year							
	PAWAN KISHORILAL AGARWAL	12090700	72.511	01-04-2016				
				09-12-2016	-200000	Sold	11890700	70.933
	-Closing Balance			31-03-2017			11890700	70.933
	VIVEK GANGWAL	-	-	01-04-2016				
	-Closing Balance			31-03-2017			-	-
	SUSHILKUMAR SINGH KASLIWAL	-	-	01-04-2016				
	-Closing Balance			31-03-2017			-	-
	SANJULA SANGHAI	-	-	01-04-2016				
	-Closing Balance			31-03-2017			-	-
	H. GOPALKRISHNAN (COMPANY SECRETARY)	500	0.003	01-04-2016				
				24-06-2016	15750	ESOP	16250	0.10
	-Closing Balance			31-03-2017			16250	0.10



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	224223556	0	0	224223556
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	224223556	0	0	224223556
Change in Indebtedness during the financial year				
• Addition	21313201	0	0	21313201
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	245536756	0	0	245536756
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	245536756	0	0	245536756

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl.no.	Particulars of Remuneration	Name of MD/WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,100,000	2,100,000
	(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	0	0
	- as % of profit	0	0
	- others, specify...	0	0
5	Others, please specify	21,600	21,600
	Total (A)	2,121,600	2,121,600
	Ceiling as per the Act	Within the Limit	

B. Remuneration to other directors:

Sl.no.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	VIVEK GANGWAL	7,500
	• Commission	SUSHILKUMAR SINGH KASLIWAL	5,000
	• Others, please specify		
	Total (1)		12,500
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	SANJULA SANGHAI	10,000
	• Commission		
	• Others, please specify		
	Total (2)		10,000
	Total (B)=(1+2)		22500
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	Within the limit	

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

Sr No.	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	-	1417827	-	1417827
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	354769	-	354769
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	1772596	-	1772596

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 – IV
FORM NO. AOC -2**

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

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

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

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

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

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



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

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FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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 31.03.2017 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 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (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;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the company during the period under review)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the company during the period under review).
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the company during the period under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the company during the period under review).
- (vi) Other laws applicable specifically to the Company namely:
 - (a) Factories Act, 1948;
 - (b) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules made thereunder;
 - (c) Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
 - (d) Environment Protection Act, 1986
 - (e) Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

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

The Company has not complied with the provision of section 203(1) of the Companies Act, 2013 w.r.t non-appointment of chief financial officer.

I further report that:

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

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



Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes.

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

I further report that during the audit period the company had no specific actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**SHIV HARI JALAN
COMPANY SECRETARY**

**Place: Mumbai
Date: 09.08.2017**

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

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

To, **'Annexure A'**

The Members,

Suditi Industries Limited

Shah & Nahar Industrial Estate

A-2 unit No 23/24,

Dhanraj Mills Compound,

Lower Parel, Mumbai- 400013.

My Report of even date is to be read along with this letter.

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.
- The secretarial Audit report is neither an assurance as to the future viability of Company nor of the efficacy of effectiveness with which the management has conducted the affairs of the company.

**SHIV HARI JALAN
COMPANY SECRETARY**

**Place: Mumbai
Date: 09.08.2017**

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

**Independent Auditor's Certificate on Corporate Governance
To
the Members of
Suditi Industries Limited.**

- This Certificate is issued in accordance with the terms of our engagement letter dated 03/10/2016.
- We have examined the compliance of conditions of corporate governance by Suditi Industries Limited ('the Company') for the year ended on 31 March 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

- The compliance of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

- Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company
- We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related services Engagements.

Opinion

Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2017.

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

Restriction on use

- This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

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

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

Place : Mumbai
Date: 09/08/2017

Twenty-Sixth Annual Report 2016 - 2017

INDEPENDENT AUDITOR'S REPORT

To The Members of

SUDITI INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SUDITI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, the financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to

the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, the "profit" and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, (hereinafter referred to as the "Order") and on the basis of such checks of the books of accounts and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure A hereto, a statement on the matters specified in the paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company's pending litigation comprise of proceedings pending with Sales Tax Authorities. The Company has reviewed all its pending litigations and proceedings and disclosed the contingent liabilities in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. (refer Note No:46 for details on contingent liabilities)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank



Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account and other records maintained by the Company and as produced to us by the Management (refer Note No. 49 to the financial statements)

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

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

Place : Mumbai
Date : May 29, 2017

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of **Suditi Industries Limited** ("the Company") for the year ended March 31, 2017, we report that:

- 1) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets except for assets under installation.
- b. All the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c. According to the information & explanation given to us and on the basis of our verification, title deeds of all immovable properties are held in the name of the Company.
- 2) As explained to us, the inventories of the company have been physically verified during the year by the management and no material discrepancies were noticed on such verification as compared to book records. In our opinion, the frequency of verification is reasonable.
- 3) According to the information & explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of the foregoing, the provisions of clause 3 (iii) (a), (b) and (c) of the said order are not applicable.
- 4) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of investments and has not provided any loans, guarantees, and security as per the provisions of section 185 and 186 of the Companies Act, 2013.
- 5) During the year, the Company has not accepted any deposits from the Public within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under as also the directives issued by the Reserve Bank of India. The Company has complied with the applicable statutory provisions. The Company has not received any order passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- 6) Provisions of section 148 on Maintenance of Cost Records do not apply to the Company since the prescribed limits have not been crossed for the applicability of cost audit & maintenance of Cost Records.

- 7) a. According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. There were no dues outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the books of accounts and records as produced and examined by us in accordance with the generally accepted auditing practices in India, as at 31st March 2017, the following are the particulars of dues that have not been deposited on account of dispute:

Name of the Statute	Name of dues	Amount (Rs. in lacs)	Forum where dispute is pending	Financial year to which the amount relates
B.S.T. ACT, 1959	BST	51.01	Asst. Commissioner, Sales Tax,	1996-97
C.S.T ACT,1956	CST	14.16	Asst. Commissioner, Sales Tax,	1996-97
C.S.T ACT,1956	CST	80.23	STAT (Tribunal)	1989-99
MVAT ACT,2002	VAT	110.77	Deputy Commissioner of Sales Tax	2005-06
MVAT ACT,2002	VAT	19.98	Deputy Commissioner of Sales Tax	2009-10
C.S.T ACT,1956	CST	37.15	Deputy Commissioner of Sales Tax	2009-10
C.S.T ACT,1956	CST	43.71	Deputy Commissioner of Sales Tax	2010-11

- 8) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to financial institution, bank or Government. The Company did not have any debentures outstanding during the year.
- 9) According to the information and explanations given to us and based on the records and documents produced before us, in our opinion, the term loans have been applied for the purposes for which they were obtained. During the year, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments).
- 10) During the course of our examination of the books of accounts and records of the Company, carried out by us in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations given to us and based on the records and documents produced before us, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- 12) The Company is not a Nidhi Company and in view of the foregoing, the question of reporting on Clause 3 (xii) of the said order does not arise.
- 13) According to the information & explanations given to us, transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the standalone Financial Statements, as required by the applicable accounting standards. Refer note no. 43 in standalone financial statements for details.

- 14) According to the information and explanations given to us and based on the records and documents produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) As per the information & explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- 16) As per the information & explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Mumbai
Date : May 29, 2017

ANNEXURE B TO THE INDEPENDENT AUDITORS REPORT

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

We have audited the internal financial controls over financial reporting of **Suditi Industries Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

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

Place : Mumbai
Date : May 29, 2017



**SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS
BALANCE SHEET AS AT 31ST MARCH, 2017**

	Note	As at 31 st March, 2017		As at 31 st March, 2016	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3.	167,632,330		166,743,030	
(b) Reserves and Surplus	4.	126,162,443		101,249,134	
			293,794,773		267,992,164
2. Non-Current Liabilities					
(a) Long-term Borrowings	5.	34,566,249		43,351,553	
(b) Other Long-term Liabilities	6.	4,173,700		923,700	
			38,739,949		44,275,253
3. Current Liabilities					
(a) Short-term Borrowings	7.	210,970,507		180,872,003	
(b) Trade Payables	8.	137,309,929		93,324,646	
(c) Other Current Liabilities	9.	10,078,113		18,043,056	
(d) Short-term Provisions	10.	17,418,836		13,521,773	
			375,777,385		305,761,478
Total			<u>708,312,108</u>		<u>618,028,895</u>
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets	11.				
(i) Tangible Assets		103,691,279		115,506,674	
(ii) Intangible Assets		996,251		1,331,208	
(iii) Capital Work-in-Progress		2,262,932		-	
(iv) Intangible Assets Under Development		2,078,378		2,078,378	
			109,028,840		118,916,260
(b) Non Current Investments	12.	9,000,000		9,000,000	
(c) Deferred Tax Assets (Net)	13.	1,027,806		1,253,443	
(d) Long-term Loans and Advances	14.	41,575,809		41,744,430	
(e) Other Non Current assets	15.	-		382,778	
			160,632,455		171,296,911
2. Current Assets					
(a) Current Investments	16.	216,288		234,000	
(b) Inventories	17.	295,752,758		217,664,005	
(c) Trade Receivables	18.	226,852,838		185,433,195	
(d) Cash and Bank Balances	19.	3,797,847		2,975,263	
(e) Short-term Loans and Advances	20.	14,370,885		29,319,293	
(f) Other Current Assets	21.	6,689,038		11,106,228	
			547,679,653		446,731,984
Total			<u>708,312,108</u>		<u>618,028,895</u>

Significant Accounting Policies & Notes on financial Statements

1 to 49

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

Sanjula Sanghai
Director

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial

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SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS

Statement of Profit and Loss for the year ended 31st March, 2017

	Note	Year ended 31 st March, 2017	Year ended 31 st March, 2016
		Amt. in Rs.	Amt. in Rs.
I. Revenue			
Revenue from Operations (Gross)	22.	1,048,163,542	805,740,460
Less: Excise Duty		<u>381,173</u>	<u>316,791</u>
Revenue from Operations (Net)		1,047,782,369	805,423,669
II. Other Income	23.	<u>3,936,658</u>	<u>5,670,799</u>
III. Total Revenue		1,051,719,027	811,094,468
IV. Expenses			
Cost of Materials Consumed	24.	485,125,707	237,528,546
Purchases of Stock-in-Trade		-	39,298,825
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	25.	(83,619,904)	(8,268,447)
Employee Benefits Expense	26.	72,704,076	64,467,855
Finance Cost	27.	29,079,001	29,855,195
Depreciation and amortisation expenses		17,890,811	17,390,316
Other Expenses	28.	<u>494,067,266</u>	<u>404,461,983</u>
Total Expenses		1,015,246,957	784,734,274
V. Profit / (Loss) before tax		36,472,069	26,360,194
VI. Tax Expense			
Current Tax		14,401,644	10,404,892
(Less): MAT credit (where applicable)		-	(3,988,531)
Net current tax expense		14,401,644	6,416,361
Deferred tax Liabilities/(Assets)		<u>225,637</u>	<u>15,826,643</u>
VII. Prior period adjustment		-	(10,550,098)
VIII. Profit and Loss After Tax (V-VI)		21,844,788	14,667,288
VIII. Earnings per share (of Rs.10/- each)			
Basic		1.30	0.88
Diluted		1.30	0.87
Number of Shares Used for Computing Earning Per Share			
Basic		16,763,233	16,674,303
Diluted		16,828,418	16,772,053
Significant Accounting Policies & Notes on financial Statements	1 to 49		

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

Sanjula Sanghai
Director

(**S.N.Chaturvedi**)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial



**SUDITI INDUSTRIES LIMITED - STANDALONE RESULTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017**

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A. Cash flow from operating activities				
Net Profit before Tax		364.72		263.60
Adjustments for -				
Depreciation and Amortisation Expense	178.91		173.90	
Prior period account	40.19		105.50	
Amortisation of Rights Issue Expenses	3.83		3.83	
Profit on sale of fixed assets	(0.79)		-	
Loss on insurance claim	0.95		-	
Interest Income	0.29		(2.15)	
Interest Expense	45.94		2.77	
Reduction in Investment value	0.18		-	
Employee's Compensation	30.69		-	
Dividend Received	-		(0.02)	
		<u>300.19</u>		<u>283.83</u>
Operating profit before working capital changes		664.91		547.44
Adjustments for -				
Trade and Other Receivables	(269.77)		(700.89)	
Inventories	(780.89)		(53.05)	
Trade and Other Payables	<u>738.26</u>		<u>159.46</u>	
		<u>(312.40)</u>		<u>(594.48)</u>
Cash generated from operations		352.51		(47.04)
Direct Taxes paid (net of refund of taxes)		<u>(144.02)</u>		<u>(64.16)</u>
Net cash from operating activities		208.49		(111.20)
B. Cash flow from investing activities				
Purchase of Fixed Assets	(80.30)		(152.54)	
Sale of Fixed Assets	1.05		-	
Subsidy - Capital	-		-	
Movement in Long term loans and advances	1.69		(9.26)	
Dividend Received	-		0.02	
Subsidy - Interest	(0.29)		2.15	
Insurance claim received	8.09		-	
Movement in Non Current Investments	-		(85.41)	
Net cash used in investing activities		<u>(69.76)</u>		<u>(245.04)</u>
C. Cash flow from financing activities				
Proceeds from issue of Share Capital	8.89		-	
Proceeds from Long-term Borrowings	23.63		492.01	
Repayment of Long-term Borrowings	(111.48)		(90.84)	
Movement in Other long term liabilities	32.50		(9.84)	
Dividend paid	(32.11)		(29.35)	
Tax paid on Dividend	(5.99)		(6.07)	
Interest paid	<u>(45.94)</u>		<u>(2.77)</u>	
Net cash used in financing activities		<u>(130.50)</u>		<u>353.14</u>
Net increase/(decrease) in cash and cash equivalents		<u>8.23</u>		<u>(3.10)</u>
Cash and Cash Equivalents - Opening Balance		<u>29.75</u>		<u>32.85</u>
Cash and Cash Equivalents - Closing Balance		<u>37.98</u>		<u>29.75</u>

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

Sanjula Sanghai
Director

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial

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Notes forming part of the Financial Statements for the year ended 31st March, 2017

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. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in the below mentioned case are different from lives prescribed under Schedule II of Companies Act, 2013.

Assets	Usefull Life
Office Equipments	Over a period of 10 years

(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

Capital Work in Progress

Depreciation has not been provided for on assets under construction.

6. Revenue Recognition

(a) Sale of Goods

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales is recognised on delivery of products to customers, from the factories and depots of the Company. Revenue from export sales is recognised when the significant risks and rewards of ownership of products are transferred to the customers, which is based upon the terms of the applicable contract. Revenue from product sales is stated exclusive of returns, sales tax and allowances. The finished goods which include Fabrics and Grey cloth are exempted from excise, however the Branded Apparels & Garments are taxable under excise from 1st March, 2016.

(b) Other Income

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

7. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation/amortisation and impairment loss. Cost comprises of



- purchase/acquisition price, taxes (net of CENVAT and MVAT credit availed), borrowing costs and any directly attributable cost for bringing the asset to its working condition for its intended use.
8. **Foreign Currency Transactions**
Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Foreign currency denominated current assets and current liabilities are translated at the year-end exchange rates. The resulting gain/loss is recognised in the Profit & Loss account. Foreign Currency liabilities incurred for the acquisition of fixed assets are translated at exchange rates prevailing on the last working day of the accounting year. The resulting gain/loss is recognised in the Profit & Loss account.
 9. **Government Grants**
Capital grants relating to fixed assets are reduced from the gross value of fixed assets. Other capital grants are credited to capital reserve. Revenue grants are credited to profit and loss account or deducted from related expenses.
 10. **Investments**
Long-term Investments are stated at cost. Provision is made to recognise a decline, other than temporary, in the value of Long-term Investments. Current Investments are stated at lower of cost and fair value.
 11. **Employee Benefits**
 - (i) **Short-term Employee Benefits**
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period.
 - (ii) **Long-term Employee Benefits**
 - (a) **Defined Contribution Plans**
Provident Fund
A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to P.F. Authorities. The Company makes specified monthly contribution towards Provident Fund. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service.
 - (b) **Defined Benefit Plan**
Gratuity Plan
The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; such benefit is discounted to determine its present value and the fair value of any plan assets is deducted.
The present value of the obligation under such defined plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.
The obligation is measured at the present value of the estimated future cash flows. The appropriate discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance Sheet date.
Actuarial gains and losses are recognized immediately in the Profit and Loss Account.
 - (iii) Termination benefits are recognised as an expense as and when incurred.
 - (iv) **Other Long-term employment benefits**
Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the long term risk free investments as at the balance sheet date.
 - (v) **Employee Stock Option Scheme:**
The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Scheme provides for grant of options to employees of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The Company follows the intrinsic method (being the difference between the quoted market price and exercise price) for computing the compensation cost, for options granted under the scheme. The compensation cost is amortised throughout the vesting 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

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for the year by the weighted average number of equity shares outstanding for the period in accordance with AS-20, "Earning Per Share".

16. Taxes on Income

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

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

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

17. Expenditure on Research and Development

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

18. Impairment

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

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

19. Provisions, Contingent Liabilities and Contingent Assets

(a) Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

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

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

20. Custom duty

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

21. Service tax input credit

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

3. Share Capital

	As at 31 st March, 2017	As at 31 st March, 2016
	Amt. in Rs.	Amt. in Rs.
Authorised		
18,000,000 Equity Shares of Rs. 10 each	180,000,000	180,000,000
Issued, Subscribed and Paid-up	167,632,330	166,743,030
1,67,63,233 Equity Shares of Rs. 10 each, fully paid up	<u>167,632,330</u>	<u>166,743,030</u>
(Previous year 1,66,74,303 Equity Shares of Rs. 10 each, fully paid up)		

	As at 31 st March, 2017		As at 31 st March, 2016	
	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	16,674,303	166,743,030	16,674,303	166,743,030
Add: Shares issued on Rights Basis	-	-	-	-
Add: Shares allotted under the Employee Stock Option Plan	88,930	889,300	-	-
Number of shares outstanding as at the end of the year	<u>16,763,233</u>	<u>167,632,330</u>	<u>16,674,303</u>	<u>166,743,030</u>

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

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

Name of the Shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	No. of shares	% of holding	No. of shares	% of holding
Pawan Kishorilal Agarwal	11,890,700	70.933	12,090,700	72.511

(d) Shares reserved for issue under options

- (i) 960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. In the year 2013, the Company has granted options to 48 employees aggregating to 278700 options. Out of this, 18 employees accepted the grant aggregating to 219500 options. Thirty employees did not accept 59200 options granted to them. The unaccepted options are ploughed back in the pool for further allocation. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. Out of above 12 Employees have exercised their option and accordingly in the month of May 2016, the Company has allotted 88930 Equity Shares against their accumulated options.
- (ii) Further the Compensation Committee has further granted 13000 options to 20 Employees in their meeting held in the month of February 2017. In addition to this the Company on the successful completion of 25 years of its operations decided to reward its Employees additional option to mark the Silver Jubilee celebrations of the Company. Accordingly the Compensation Committee has granted additional 1,11,605 options to 38 Employees both Senior and Junior level Employees. In total in the month of February 2017, the Company has granted additional 1,24,605 options to 38 Employees and all Employees have accepted their grant. In view of Special Resolution passed by members in their 25th Annual General Meeting, all the options granted shall vest after one year from the grant date.

(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 and the proceeds are utilised fully as stated in the offer document.

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

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

	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
4. Reserves and Surplus				
Security Premium		2,003,148		
ESOP Outstanding		1,065,373		
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	101,249,134		90,123,384	
Add: Profit for the year	21,844,788		14,667,288	
	123,093,922		104,790,673	
Less:				
Proposed Dividend	-		2,934,963	
Tax on Proposed Dividend	-		606,576	
	123,093,922		101,249,134	
Balance as at the end of the year		<u>123,093,922</u>		<u>101,249,134</u>
		<u>126,162,443</u>		<u>101,249,134</u>

The Board of Directors has recommended a dividend of Rs.0.50 per share exclusively on the portion of the share capital held by the public as on 31.03.2017. The promoters have waived their entitlement of receiving the dividend in order to support the business activities of the company. The proposed dividend is subject to the approval by Shareholders at the ensuing Annual General Meeting and has not been recorded as a liability as at 31st March 2017 in accordance with Accounting Standard (AS)-4 "Contingencies and Events Occurring after Balance Sheet date.

5. Long-term Borrowings

Secured

Term Loans

From Banks

34,566,249		43,351,553	
	34,566,249		43,351,553
	<u>34,566,249</u>		<u>43,351,553</u>

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

Term Loan-I from Axis Bank					
Sanctioned amount	Rs.450 lakhs				
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705				
Repayment	repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.				
					(Rs. in lakhs)
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	424.33	0.00	44.65	143.13	325.85
Term Loan-II from Axis Bank					
Sanctioned amount	Rs.22 lakhs *				
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705				
Repayment	repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.				
	* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.				
					(Rs. in lakhs)
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	9.18	0.00	0.17	9.35	0
Term Loan-III from Axis Bank					
Sanctioned amount	Rs.40 lakhs *				
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705				
Repayment	repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.				
	* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.				
					(Rs. in lakhs)
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	0	23.63	1.12	4.94	19.82

	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
6. Other Long-term Liabilities				
Security Deposit	4,173,700		923,700	
		<u>4,173,700</u>		<u>923,700</u>
7. Short-term Borrowings				
Loan repayable on demand from bank				
Secured	210,970,507		180,872,003	
		<u>210,970,507</u>		<u>180,872,003</u>

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

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	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
8. Trade Payables				
Micro and Small Enterprises*	8,710,968		11,303,186	
Others	128,598,961		82,021,460	
		137,309,929		93,324,646
* Micro and Small Enterprises				
i. Principal Amount Remaining unpaid		8,710,968	11,303,186	
ii. Interest		Nil	Nil	
iii. Total of a & b		8,710,968	11,303,186	
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, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
9. Other Current Liabilities				
Unclaimed Dividend	2245238		1648369	
Other payables				
ESIC	160,184		105,338	
Provident fund	556,386		498,494	
Salary & remuneration	4,537,639		2,552,505	
TDS	1,031,628		876,155	
Professional tax	58,150		42,675	
Service Tax	-		11,914	
Dividend Payable	-		2,934,963	
Advances from customers	1,488,888		9,372,643	
		10,078,113		18,043,056
Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end.				
10. Short-term Provisions				
Provision for employee benefits				
Bonus payable	1,233,729		843,385	
Ex- Gratia Payable	1,430,504		829,099	
Gratuity	2,206,615		1,541,412	
Leave salary	2,148,686		1,919,130	
	7,019,534		5,133,026	
Provision others				
Provision for expenses	10,399,302		8,388,747	
		17,418,836		13,521,773

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	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
15. Other Non Current assets				
Amortisation of Right Issue Expenses	-		382,778	
		<u>-</u>		<u>382,778</u>
16. Current Investments				
Investments Equity Shares of IDBI Bank Ltd (Quoted) [2880 (Including Bonus Shares issues of 1080 shares)] (Aggregate Market Value Rs.2,16,288/- P.Y. Rs.2,00,160/-)	216,288		234,000	
		<u>216,288</u>		<u>234,000</u>
17. Inventories (At lower of cost and net realisable value)				
Raw Materials	11,804,602		16,733,537	
Work in Progress	17,592,221		10,499,734	
Finished Goods	261,311,255		141,195,524	
Stock In Trade	-		43,588,314	
Stores and Spares	4,297,424		5,490,531	
Fuel & Oil	747,257		156,365	
		<u>295,752,758</u>		<u>217,664,005</u>
18. Trade Receivables				
Outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, Considered Good	32,332,554		20,926,583	
Less: Provision for Doubtful Debts	-		-	
		<u>32,332,554</u>		<u>20,926,583</u>
Others				
Unsecured, Considered Good	194,520,283		164,506,612	
		<u>194,520,283</u>		<u>164,506,612</u>
		<u>226,852,838</u>		<u>185,433,195</u>
19. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
(a) Balances with Banks	1,041,329		934,608	
(b) Cash on Hand	511,028		392,178	
(ii) Earmarked Balances with Banks				
Unpaid Dividend	2,245,490		1,648,477	
		<u>3,797,847</u>		<u>2,975,263</u>
		<u>3,797,847</u>		<u>2,975,263</u>
20. Short-term Loans and Advances (Unsecured, Considered Good)				
Loans and advances to employees	53,160		364,580	
Loans and advances to related party				
Prepaid expenses	3,721,751		598,221	
Balances with government authorities				
Central Excise and Customs	613,906		613,906	
Service Tax receivable	-		-	
Sales tax Refund and Set-off	6,483,551		7,538,908	
Income Tax (Net of provisions)	1,339,576		11,121,306	
*MAT Credit Entitlement	-		6,561,567	
Advances to Suppliers	2,158,941		2,520,805	
		<u>14,370,885</u>		<u>29,319,293</u>
		<u>14,370,885</u>		<u>29,319,293</u>
*The Company has first time recognised accumulated Mat Credit in the books during the current financial year.				
21. Other Current Assets				
Others				
Receivable in Cash or Kind	6,689,038		11,106,228	
		<u>6,689,038</u>		<u>11,106,228</u>

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	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
22. Revenue from Operations				
Sale of products (Refer Note (i) below)	1,046,880,104		804,355,699	
Sale of services (Refer Note (ii) below)	-		-	
Other operating revenues (Refer Note (iii) below)	1,283,438		1,384,761	
		<u>1,048,163,542</u>		<u>805,740,460</u>
Revenue from Operations (Gross)		1,048,163,542		805,740,460
Less: Excise Duty		381,173		316,791
Revenue from Operations (Net)		<u>1,047,782,369</u>		<u>805,423,669</u>
Notes:				
(i) Sale of products:				
<u>Manufactured Goods</u>				
Knitted Fabrics	581,189,813		391,112,991	
Garments & Apparels	465,309,118		412,925,917	
		<u>1,046,498,931</u>		<u>804,038,908</u>
<u>Traded Goods</u>				
Trading Goods	-	<u>1,046,498,931</u>	-	<u>804,038,908</u>
(ii) Sale of services:				
Commission	-	-	-	-
(iii) Other operating revenues:				
Scrap Sales	1,241,404		1,333,309	
Duty Drawback	42,034	<u>1,283,438</u>	51,452	<u>1,384,761</u>
23. Other Income				
Interest Income from Banks on Deposits	120,569		13,345	
Interest on Income Tax Refund	-		637,337.51	
Other Interest	29,310		736,888	
	<u>149,879</u>		<u>1,387,571</u>	
Dividend Income	-		2,160	
Other non operating Income	3,786,779		4,281,069	
		<u>3,936,658</u>		<u>5,670,799</u>
24. Cost of Materials consumed				
Opening stock	16,733,537		18,849,980	
Add: Purchases	480,196,772		235,412,104	
Less: Closing stock	11,804,602		16,733,537	
		<u>485,125,707</u>		<u>237,528,546</u>
Material consumed:				
Chemicals	47,744,625		52,207,732	
Dyes	21,019,736		24,103,924	
Yarn & Fabric	377,216,637		148,119,325	
Other Raw Materials	39,144,709		13,097,565	
		<u>485,125,707</u>		<u>237,528,546</u>
25. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the end of the year:				
Finished goods	261,311,255		141,195,524	
Work-in-progress	17,592,221		10,499,734	
Stock-in-trade	-		43,588,314	
		<u>278,903,475</u>		<u>195,283,572</u>
Inventories at the beginning of the year:				
Finished goods	141,195,524		173,933,864	
Work-in-progress	10,499,734		12,561,065	
Stock-in-trade	43,588,314	<u>195,283,572</u>	520,196	<u>187,015,125</u>
		<u>(83,619,904)</u>		<u>(8,268,447)</u>



	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
26. Employee Benefits Expense				
Salaries and wages	62,196,701		56,558,786	
Contributions to provident and other funds	3,552,023		4,047,259	
Expense on employee stock option (ESOP) scheme	-		-	
Staff welfare expenses	3,886,831		3,861,810	
Employee Compensation Expenses	3,068,521		-	
		72,704,076		64,467,855
27. Finance Costs				
Interest Expenses on:				
Borrowings	28,187,831		29,062,613	
Trade Payables	891,170		716,668	
Others	-		75,914	
Interest on delayed payment of Excise duty	-		-	
Interest on delayed payment of Service tax	-		-	
		29,079,001		29,855,195
28. Other Expenses				
Stores & Spares Consumable	21,682,369		21,119,016	
Consumption Of Packing Materials	6,832,441		9,548,760	
Sub Contracting	89,488,321		88,303,690	
Power & Fuel	57,319,684		56,371,258	
Water	7,796,326		5,834,597	
Rent Including Lease Rentals	4,392,206		6,970,191	
Repair & Maintenance:				
Building	1,183,332		3,384,614	
Machinery	2,949,367		2,675,793	
Others	5,537,422		5,181,302	
Insurance	640,668		531,240	
Garment Division Expenses	-		20,422	
Rates & Taxes	10,710,472		9,438,552	
Communication	2,340,713		2,852,092	
Travelling & Conveyance	4,551,323		3,888,103	
Printing & Stationery	828,825		927,167	
Sales Commission	1,233,618		8,253,103	
Business Promotion Expenses	-		851,198	
Discount on Sales	232,551,184		138,586,298	
Pilferage & Shortage	1,284,151		-	
Royalty	6,422,644		8,378,810	
Legal & Professional	9,234,174		7,070,161	
Statutory Auditors Remuneration (Refer note.29)	660,000		458,000	
Transportation Charges	8,610,071		8,086,143	
Bank Charges, Commission & Others	770,580		552,032	
Advertisement Expenses	2,813,336		401,582	
Motor Car Expenses	1,419,052		1,580,853	
Security Charges	3,388,165		3,630,076	
Registrar & Transfer Expenses	140,097		135,850	
Subsription & Membership	411,972		42,000	
Sundry Balance W/Off	1,756,226		18,041	
Prior Period Expenses	4,019,175		259,254	
Amortisation of Share issue expenses	382,778		382,779	
Loss on Claim Received	94,989		-	
Establishment Management Fees	-		5,466,880	
Miscellaneous Expenses	2,621,584		3,262,126	
		494,067,266		404,461,983

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29. Auditors' Remuneration		
Statutory Audit Fees	560,000	343,500
Tax Audit Fees	100,000	114,500
	<u>660,000</u>	<u>458,000</u>
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
30. Proposed Dividend		
Proposed Dividend (Amt. in Rs.)	2,240,867	2,934,963
Number of shares outstanding as at the end of the year		
Promoter group	12,281,500	12,481,500
Non-Promoter group	4,481,733	4,192,803
Dividend per Share (Rs. per Equity Share of Rs. 10 each)	0.50	0.70

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has recommended a Dividend of Rs.0.50 per share exclusively on the share capital held by the public for the year ended 31st March, 2017. The promoters have waived their entitlement of receiving dividend in order to support the business activities of the company.

31. Employees' Stock Option Plan 2011

The Company instituted the Employee Stock Option Plan – ESOP 2011 to grant equity based incentives to its eligible employees in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP-2011 ("The Scheme") had been approved by the Board of Directors of the Company at their meeting held on 30th Sept, 2011 and by the shareholders of the Company by way of special resolution passed at their Annual General Meeting held on 2nd Sept 2011, to grant 9,60,000 options, representing one share at par for each option upon exercise by the employee of the Company determined by the Board/Compensation Committee. The Scheme covers grant of options to the specified permanent eligible employees of the Company and also to non-executive directors of the Company including independent directors. Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company. Out of this, 97600 options were not accepted. The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, the total options are divided on certain prescribed basis spread over a period of 5 years and accordingly the same will vest in the employee every year. The Option grantee must exercise all vested options within a period of five years from the date of granting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time within the said period of five years and the shares arising on exercise of such options shall be subject to a lock-in period of 1 year after the date of allotment. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. Out of above 12 Employees have exercised their option and accordingly in the month of May 2016, the Company has allotted 88930 Equity Shares against their accumulated options.

Further the Compensation Committee has further granted 13000 options to 20 Employees in their meeting held in the month of February 2017. In addition to this the Company on the successful completion of 25 years of its operations decided to reward its Employees additional option to mark the Silver Jubilee celebrations of the Company. Accordingly the Compensation Committee has granted additional 1,11,605 options to 38 Employees both Senior and Junior level Employees. In total in the month of February 2017, the Company has granted additional 1,24,605 options to 38 Employees and all Employees have accepted their grant. In view of Special Resolution passed by members in their 25th Annual General Meeting, all the options granted shall vest after one year from the grant date.

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

Particulars	Grant of Options	
	I	II
Date of Grant	31-01-13	15-02-17
Market price on date of grant of the options (per share) (A)	7.68	68.4
Face value (per share) (B)	10	10
Exercise Price - higher of (A) or (B)	10	10
Expected life of the option granted	5	5
Options Granted (Nos.)	350800	124605
Options Lapsed (Nos.)	21000	0
Options Forfeited (Nos.)	97600	0
Options Vested and exercisable at the end of the period (Nos.)	154115	0
Options Exercised (Nos.)	88930	0
Options Expired (Nos.)	0	0
Options Outstanding at the end of the period (Nos.)	65185	0
Mode of settlement	Equity	Equity
Graded vesting schedule	Percentage of options granted	
1st Anniversary of the Grant Date	10%	100%
2nd Anniversary of the Grant Date	15%	N.A.
3rd Anniversary of the Grant Date	20%	N.A.
4th Anniversary of the Grant Date	25%	N.A.
5th Anniversary of the Grant Date	30%	N.A.



The estimated fair value computed as prescribed by an independent valuer on the basis of Black Scholes pricing model for each stock option granted is within the range of Rs.10.00 to Rs.58.32 per option. Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2017 would have been higher by Rs.38,01,589/- 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.1.08 and Rs.1.07. However, the Company has already considered the liability on account of the options granted in the year February 2017 in the Books as the market price was higher than the option exercised price.

	Unit	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
32. Consumption of Raw, Stores & Spares and Packing Materials					
Chemicals			47,744,625		52,207,732
Dyes			21,019,736		24,103,924
Yarn & Fabric	Kgs	972,997	377,216,637	641,879	148,119,325
Other Raw Materials			39,144,709		13,097,565
Stores & Spares			21,682,369		21,119,016
Packing Materials			6,832,441		9,548,760
			513,640,517		268,196,322
			For the year ended 31st March, 2017		For the year ended 31st March, 2016
			% Amt. in Rs.		% Amt. in Rs.
Imported			0.51 2,596,147		0.21 570,748
Indigenous			99.49 511,044,370		99.79 267,625,574
			100.00 513,640,517		100.00 268,196,322

Notes:

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

	Unit	As at 01 st April, 2016		As at 01 st April, 2015	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
33. Opening Stock					
1. Yarn	Kgs	40,981	7,609,235	42,079	7,909,104
2. Grey fabric	Kgs	16,428	3,071,580	24,390	4,725,932
3. Chemicals			1,661,746		1,569,588
4. Stores, Spares & Other items			7,605,816		7,726,057
5. Packing Materials			646,190		706,318
6. Dyes			1,785,867		2,706,432
7. Stock in trade	Pcs	108,287	43,588,314	2,962	520,196
8. Work in Progress	Kgs	10,900	8,968,675	14,761	10,072,190
	Pcs	188,602	1,531,059	36,089	2,488,875
9. Finished Goods					
Finished Fabric	Kgs	139,243	11,333,460	240,718	70,923,562
Finished Garments	Pcs	328,719	129,862,064	329,188	103,010,302
			217,664,005		212,358,556
			For the year ended 31st March, 2017		For the year ended 31st March, 2016
			Quantity Amt. in Rs.		Quantity Amt. in Rs.
34. Sales					
1. Processed Fabric	Kgs	3,214,204	581,189,813	2,965,828	391,112,991
2. Ready Made Garments	Pcs	560,691	92,414,214	1,067,696	154,908,050
3. Garments & Apparels (Retail Division)	Pcs	411,374	372,894,904	328,489	258,017,867
4. Trading Sales - Fabric & Others	Mtrs		-		0
			1,046,498,931		804,038,908
35. Purchases of Stock-in-Trade					
1. Purchases - Fabric & Others	Mtrs	-	-	414,702	39,298,825
			-		39,298,825

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		As at 31 st March, 2017		As at 31 st March, 2016	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
36. Closing Stock					
1. Yarn	Kgs	21,945	5,293,937	40,981	7,609,235
2. Grey fabric	Kgs	7,196	1,724,348	16,428	3,071,580
3. Chemicals			1,792,547		1,661,746
4. Stores, Spares & Other items			5,801,919		7,605,816
5. Packing Materials			660,517		646,190
6. Dyes			1,576,014		1,785,867
7. Stock in trade	Kgs	-	-	108,287	43,588,314
	Pcs	-	-	-	-
8. Work in Progress	Kgs	492,989	3,034,621	10,900	8,968,675
	pcs	70,886	14,557,600	188,602	1,531,059
9. Finished Goods					
Finished Fabric	Kgs	293,561	132,046,431	139,243	11,333,460
Finished Garments	Pcs	288,092	129,264,824	328,719	129,862,064
			295,752,758		217,664,005
			For the year ended 31st March, 2017		For the year ended 31st March, 2016
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
37. CIF Value of Imports					
Components and Spare Parts			2,596,147		570,748
Capital Goods			-		-
38. Expenditure in Foreign Currency					
Travelling			303,250		505,390
Others			-		1,103,438
39. Earnings in Foreign Exchange					
FOB Value of Exports			361,069		1,014,903
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 31 st March, 2017 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, 2017		As at 31 st March, 2016	
Particulars		Amount in Foreign Currency	Amt. in Rupees	Amount in Foreign Currency	Amt. in Rupees
Receivables					
US Dollar		-	-	-	-
Payables #					
#	There is no amount payable in foreign currency outstanding as on 31 st March, 2017.				
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, 2017		For the year ended 31 st March, 2016	
		Amt. in Rs.		Amt. in Rs.	
(i) Contribution to Provident Fund			2,886,820		2,445,573
(ii) Contribution to Employees' State Insurance Scheme			898,972		700,729
(B) Defined Benefit Plan					
Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:					



	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate (per annum)	7.15%	7.15%	7.45%	7.45%
(b) Rate of increase in Compensation Levels	5.00%	5.00%	5.00%	5.00%
(c) Rate of Return on Plan Assets	N.A	8.25%	N.A	8.35%
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	1,919,130	5,628,378	1,920,310	4,941,508
(b) Interest Cost	136,561	402,926	144,784	339,905
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	341,689	693,826	397,579	651,521
(e) Benefits Paid	(172,178)	(439,962)	(128,207)	(1,167,502)
(f) Actuarial (Gain)/Loss	(76,516)	(98,086)	(415,336)	862,946
(g) Closing Present Value of Obligation	2,148,686	6,187,082	1,919,130	5,628,378
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	4,086,966	-	3,622,207
(b) Expected Return on Plan Assets	-	322,893	-	331,629
(c) Actuarial Gain/(Loss)	-	10,570	-	8,011
(d) Employers' Contributions	-	-	-	1,292,621
(e) Benefits Paid	-	(439,962)	-	(1,167,502)
(f) Closing Fair Value of Plan Assets	-	3,980,467	-	4,086,966
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	2,148,686	6,187,082	1,919,130	5,628,378
(b) Fair Value of Plan Assets as at the year end	-	3,980,467	-	4,086,966
(c) (Asset)/Liability recognised in the Balance Sheet	2,148,686	2,206,615	1,919,130	1,541,412
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	341,689	693,826	397,579	651,521
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	136,561	402,926	144,784	339,905
(d) Expected Return on Plan Assets	-	(322,893)	-	(331,629)
(e) Net Actuarial (Gain)/Loss	(76,516)	(108,655)	(415,336)	854,935
Total Expenses recognised in the Statement of Profit and Loss	401,734	665,204	127,027	1,514,732

NOTE:

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

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	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	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	1,047,421,300	804,408,766
Other Countries	<u>361,069</u>	<u>1,014,903</u>
	<u>1,047,782,369</u>	<u>805,423,669</u>
(II) Carrying Amount of Segment Assets		
India	708,312,108	618,028,895
Other Countries	<u>-</u>	<u>-</u>
	<u>708,312,108</u>	<u>618,028,895</u>
(III) Capital Expenditure		
India	5,766,925	15,253,783
Other Countries	<u>-</u>	<u>-</u>
	<u>5,766,925</u>	<u>15,253,783</u>
(a) The primary reporting of the company is based on the business segment. The company has no substantial amount of business in other segment except manufacturing of knitted hosiery fabrics and readymade garments.		
(b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated in to two segments namely India and Other Countries for the purpose of reporting geographical segments.		
(c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2.		
(d) In the opinion of the Company it is not practicable to provide segmentwise disclosure relating to the Capital Employed as it cannot be bifurcated between segments considering the nature of production facilities which are common and combined for all the segments.		
43. Related Party Disclosures		
Related parties with whom the company had transactions during the year		
a) Key Management Personnel		
1. Mr.Pawan Agarwal - Chairman and Managing Director		
2. Relatives of Key Management Personnel:		
1. Mr.Kishorilal Agarwal (Father - Late)		
2. Mr.Anand Agarwal (Brother)		
3. Mr.Rajendra Agarwal (Brother)		
4. Mrs.Pramila Agarwal (Wife of Anand Agarwal)		
5. Mrs.Shalini Agarwal (Wife of Pawan Agarwal)		
b) Enterprises under Common control of the Promoters		
1. BLR Knits Pvt. Ltd.		
2. Intime Knits Pvt. Ltd.		
3. Black Gold Leasing Pvt. Ltd.		
4. R. Piyarellal Pvt. Ltd.		
5. Suditi Design Studio Ltd		
6. Suditi Sports Apparels Ltd		
Disclosure of transactions between the company and related parties		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal	<u>2,100,000</u>	<u>2,100,000</u>
	<u>2,100,000</u>	<u>2,100,000</u>
b) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.	19,346,924	12,892,913
2. BLR Knits Pvt. Ltd.	12,048	234,348
3. Suditi Design Studio Ltd.	14,918,783	6,424,886



b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	297,607	1,651,079
2. BLR Knits Pvt. Ltd.	-	-
c) Services Received		
1. Intime Knits Pvt. Ltd.	50,527	237,347
2. Black Gold Leasing Pvt. Ltd.	8,747,947	14,588,702
3. R. Piyarellal Pvt. Ltd.	1,056,820	1,376,455
4. BLR Knits Pvt. Ltd.	11,579	-
d) Balance Outstanding as at the year end		
1. BLR Knits Pvt. Ltd. (Receivable)	461,091.00	-
2. Intime Knits Pvt. Ltd. (Net Receivable)	708,495	-
Intime Knits Pvt. Ltd. (Net Payable)	22,285	7,366,586
3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	30,381,466	30,831,466
4. Black Gold Leasing Pvt. Ltd. (Net Payable)	658,891	-
5. R. Piyarellal Pvt. Ltd. (Payable)	305,177	159,553
6. Suditi Design Studio Ltd (Receivable)	9,922,590	6,404,719
44. Leases		
(I) Disclosures for Finance Leases		
The company has not entered into any finance lease arrangement during the year.		
(II) Disclosures for Operating Leases		
Disclosures in respect of Premises taken on lease.		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	4,392,206	6,970,191
(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 (Renewal of lease terms after first 3 years)	3 - 9 year	3 - 9 year
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	-	-
(ii) Later than one year and not later than five years	-	-
(iii) Later than five years	-	-
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, 2017	For the year ended 31st March, 2016
Profit for the year (Amt. in Rs.)	<u>21,844,788</u>	<u>14,667,288</u>
Weighted average number of Shares for Basic Earnings per Share	16,748,411	16,674,303

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Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	65,185	97,750
Weighted average number of Shares for Diluted Earnings per Share		
Earnings per Share (Rs. per Equity Share of Rs. 10 each)	16,813,596	16,772,053
Basic	1.30	0.88
Diluted	1.30	0.87
	As at	As at
	31st March, 2017	31st March, 2016
	Amt. in Rs.	Amt. in Rs.

46. Contingent Liabilities

(a) Claims against the company not acknowledged as debts		
(i) Sales tax matters	35,703,384	16,029,051
(ii) Excise matters	-	-
(iii) Income tax matters	-	-
	<u>35,703,384</u>	<u>16,029,051</u>
(b) Bond/Guarantee given to any Government Department or Corporation		
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	3,769,310	16,910,924
	<u>3,769,310</u>	<u>16,910,924</u>

Note:

- 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.
- The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.
- Similarly in respect of Item (b)(i) the Liability may vary depending up to the scheme if any allowed or permitted at the time of redemption or settlement of the licence which may included interest and other penalties/levies.

Capital Commitments

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

47. Details of Subsidiaries:

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) (AOC-1)

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

Part A - Subsidiaries

														(Amount Rs. in Lacs)	
Sr. No.	Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments			Revenue from Operations	Profit Before Tax	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share Holding
							Total	Subsidiary Investment	Investment Others						
1	Suditi Design Studio Limited	INR	87	(23.09)	1171	1,107.47	0	0	0	2064.24	(6.21)	0	(6.21)	0	98.85
2	Suditi Sports Apparel Limited	INR	5	(3.18)	1.97	0.15	0	0	0	0	(3.18)	0	(3.18)	0	80.00

Notes:

- The Subsidiary is incorporated by the Holding Company & its Promoters and the date of incorporation of Suditi Design Studio Limited is 23rd March, 2015 and Suditi Sports Apparel Limited is 18th March, 2015 respectively.
- Reporting period of Subsidiary and Holding Company is same.
- Names of subsidiaries which are yet to commence operations : Suditi Sports Apparel Limited
- Names of subsidiaries which have been liquidated or sold during the year: NIL

SUDITI INDUSTRIES LTD



Part B - Associates and Join Ventures

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

There are no associates and joint ventures

48. The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.
49. **Specified Bank Noted(SBN's)**: During the year, the Company had Specified Bank Notes(SBN) or other denomination note as defined in the MCA Notification G.S.R.308(E) dated 30th March,2017.The details of SBN held and transacted during the period from 08th November,2016 to 30th December,2016,the denomination wise SBN's and other notes as per the notification are as follows:-

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	563,500	36,790	600,290
(+) Permitted receipts	-	949,333	949,333
(-) Permitted payments	-	(685,701)	(685,701)
(-) Amount deposited in Banks	(563,500)	-	(563,500)
Closing cash in hand as on 30.12.2016	-	300,422	300,422

*For the purpose of this clause,the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance,Department of Economic Affairs number S.O.3407(E) dated 08 November, 2016.

Signatures to Notes 1 to 49

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, 2017

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, 2017

Sushil Kumar Kasliwal
Director

Sanjula Sanghai
Director

Manoj Khemka
V.P.Accounts & Commercial

INDEPENDENT AUDITOR'S REPORT

To The Members of

SUDITI INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SUDITI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, their consolidated "profit" and consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A". and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, - Refer Note No. 45 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company



- and its subsidiary companies incorporated in India.
- iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. (refer to Note No. 46 to the consolidated financial statements)

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

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

Place: Mumbai
Date: May 29, 2017

ANNEXURE A TO AUDITORS' REPORT

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of **Suditi Industries Ltd.**, (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to explanations given to us, the Holding Company and its subsidiary companies, which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

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

Place: Mumbai
Date: May 29, 2017

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SUDITI INDUSTRIES LIMITED - CONSOLIDATED RESULTS
BALANCE SHEET AS AT 31ST MARCH, 2017

	Note	As at 31 st March, 2017		As at 31 st March, 2016	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
I. Equity and Liabilities					
1. Shareholders' Funds					
(a) Share Capital	3.	167,632,330		166,743,030	
(b) Reserves and Surplus	4.	<u>123,625,868</u>		<u>99,580,494</u>	
			291,258,198		266,323,524
2. Minority interest			109,932		180,595
3. Non-Current Liabilities					
(a) Long-term Borrowings	5.	34,566,249		43,351,553	
(b) Other Long-term Liabilities	6.	<u>27,843,700</u>		<u>7,948,700</u>	
			62,409,949		51,300,253
4. Current Liabilities					
(a) Short-term Borrowings	7.	228,495,580		190,872,003	
(b) Trade Payables	8.	182,228,707		109,055,470	
(c) Other Current Liabilities	9.	16,146,154		20,973,417	
(d) Short-term Provisions	10.	<u>26,076,342</u>		<u>14,625,124</u>	
			452,946,783		335,526,014
Total			<u>806,724,862</u>		<u>653,330,386</u>
II. Assets					
1. Non-Current Assets					
(a) Fixed Assets	11.				
(i) Tangible Assets		104,788,393		115,953,290	
(ii) Intangible Assets		1,209,542		1,690,125	
(iii) Capital Work-in-Progress		2,262,932		-	
(iv) Intangible Assets Under Development		<u>2,078,378</u>		<u>2,078,378</u>	
		110,339,245		119,721,793	
(b) Non Current Investments			-		-
(c) Deferred Tax Assets (Net)	12.	1,027,806		1,253,443	
(d) Long-term Loans and Advances	13.	43,153,327		44,490,363	
(e) Other Non Current assets	14.	<u>-</u>		<u>1,478,250</u>	
			154,520,378		166,943,849
2. Current Assets					
(a) Current Investments	15.	216,288		234,000	
(b) Inventories	16.	328,227,250		232,740,942	
(c) Trade Receivables	17.	299,630,882		209,203,019	
(d) Cash and Bank Balances	18.	4,170,969		3,636,579	
(e) Short-term Loans and Advances	19.	13,270,059		29,465,769	
(f) Other Current Assets	20.	<u>6,689,037</u>		<u>11,106,228</u>	
			652,204,484		486,386,537
Total			<u>806,724,862</u>		<u>653,330,386</u>

Significant Accounting Policies & Notes on financial Statements

1 to 46

The Notes are an integral part of the Financial Statements.

In terms of our report of even date

For and on behalf of the Board

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

Pawan Agarwal
Chairman & Managing Director

Sushil Kumar Kasliwal
Director

Vivek Gangwal
Director

Sanjula Sanghai
Director

(**S.N.Chaturvedi**)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial



SUDITI INDUSTRIES LIMITED - CONSOLIDATED RESULTS

Statement of Profit and Loss for the year ended 31st March, 2017

	Note	Year ended 31 st March, 2017		Year ended 31 st March, 2016	
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
I. Revenue					
Revenue from Operations (Gross)	21.	1,242,960,814		895,044,487	
Less: Excise Duty		<u>1,119,938</u>		<u>430,713</u>	
Revenue from Operations (Net)			1,241,840,876		894,613,774
II. Other Income	22.		<u>4,596,658</u>		<u>6,270,799</u>
III. Total Revenue (I+II)			1,246,437,534		900,884,574
IV. Expenses					
Cost of Materials Consumed	23.	541,080,817		267,909,895	
Purchases of Stock-in-Trade		-		39,298,825	
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24.	(101,017,458)		(23,345,384)	
Employee Benefits Expense	25.	93,664,239		81,109,451	
Finance Cost	26.	30,981,824		30,311,359	
Depreciation and amortisation expenses		18,296,913		17,591,307	
Other Expenses	27.	<u>627,897,727</u>		<u>463,336,971</u>	
Total Expenses			<u>1,210,904,062</u>		<u>876,212,424</u>
V. Profit / (Loss) before tax			35,533,472		24,672,149
VI. Tax Expense					
Current Tax (MAT)		14,401,644		10,404,892	
(Less): MAT credit (where applicable)		<u>-</u>		<u>(3,988,531)</u>	
Net current tax expense		14,401,644		6,416,361	
Deferred tax Liability / (Assets)		<u>225,637</u>	<u>14,627,281</u>	<u>15,826,643</u>	<u>22,243,004</u>
VII. Prior period adjustment			-		(10,550,098)
VIII. Profit and Loss After Tax			20,906,191		12,979,243
Share of Minority Interest			(70,663)		(19,405)
IX. Profit and Loss for the year			20,976,854		12,998,648
X. Earnings per share (of Rs.10/- each)					
Basic			1.25		0.78
Diluted			1.24		0.77
Number of Shares Used for Computing Earning Per Share					
Basic			16,763,233		16,674,303
Diluted			16,828,418		16,772,053

Significant Accounting Policies & Notes on financial Statements

1 to 46

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

For and on behalf of the Board

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

Pawan Agarwal
Chairman & Managing Director

Sushil Kumar Kasliwal
Director

Vivek Gangwal
Director

Sanjula Sanghai
Director

(S.N.Chaturvedi)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial

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SUDITI INDUSTRIES LIMITED - CONSOLIDATED RESULTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
A. Cash flow from operating activities				
Net Profit before Tax		355.33		246.72
Adjustments for -				
Depreciation and Amortisation Expense	182.97		175.91	
Prior period adjustment	51.14		105.50	
Amortisation of Rights Issue Expenses	3.83		3.83	
Profit on sale of fixed assets	(0.79)		-	
Loss on insurance claim	0.95		-	
Interest Income	0.29		(2.15)	
Interest Expense	64.97		2.77	
Reduction in Investment value	0.18		-	
Employee's Compensation	30.69		-	
Dividend Received	-		(0.02)	
		<u>334.23</u>		<u>285.84</u>
Operating profit before working capital changes		689.56		532.56
Adjustments for -				
Trade and Other Receivables	(782.56)		(940.05)	
Inventories	(954.87)		(203.82)	
Trade and Other Payables	1,247.49		457.10	
		<u>(489.94)</u>		<u>(686.77)</u>
Cash generated from operations		199.62		(154.21)
Direct Taxes paid (net of refund of taxes)		<u>(144.02)</u>		<u>(64.16)</u>
Net cash from operating activities		55.60		(218.37)
B. Cash flow from investing activities				
Purchase of Fixed Assets	(89.41)		(162.60)	
Sale of Fixed Assets	1.05		-	
Subsidy - Capital	-		-	
Minority Interest	-		2.00	
Movement in Long term loans and advances	13.37		(36.71)	
Dividend Received	-		0.02	
Subsidy - Interest	(0.29)		2.15	
INSURANCE CLAIM RECEIVED	8.09		-	
Movement in Non Current Investments	-		4.59	
Movement in Other Non Current Assets	-		(10.95)	
Net cash used in investing activities		<u>(67.19)</u>		<u>(201.50)</u>
C. Cash flow from financing activities				
Proceeds from issue of Share Capital	8.89		-	
Proceeds from Long-term Borrowings	23.63		492.01	
Repayment of Long-term Borrowings	(111.48)		(90.84)	
Movement in Other long term liabilities	198.95		60.41	
Dividend paid	(32.11)		(29.35)	
Tax paid on Dividend	(5.99)		(6.07)	
Interest paid	(64.97)		(2.77)	
Net cash used in financing activities		<u>16.92</u>		<u>423.39</u>
Net increase/(decrease) in cash and cash equivalents		<u>5.33</u>		<u>3.53</u>
Cash and Cash Equivalents - Opening Balance		<u>36.37</u>		<u>32.85</u>
Cash and Cash Equivalents - Closing Balance		<u>41.71</u>		<u>36.37</u>

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

(**S.N.Chaturvedi**)
Partner
(Membership No.040479)
Mumbai, 29th May, 2017

Vivek Gangwal
Director

Sanjula Sanghai
Director

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 29th May, 2017

Manoj Khemka
V.P.Accounts & Commercial



Suditi Industries Limited - Consolidated Results

Notes forming part of the Financial Statements for the year ended 31st March, 2017

1 Significant Accounting Policies

1. Principles of Consolidation

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

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

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

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

2. Basis of preparation

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

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

2. The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.
3. Inventories
Inventories are valued at lower of cost and net realisable value. Raw Materials, Stores and spares and Packing Material is determined on cost basis. The cost formula used for determination of cost are on FIFO basis.
Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the company.
4. Cash Flow
The cash flow statement is prepared by the "Indirect Method" set out in Accounting Standard (AS) –3 on "Cash Flow Statements" and presents the cash flows by operating, investing and financing activities of the company. Cash and cash equivalents presented in the Cash Flow Statement consists of cash on hand and deposits with banks.
5. Depreciation / Amortisation

Tangible Assets

- (a) Depreciation on tangible assets is provided on Straight Line Method. Depreciation for assets purchased or sold during the year is charged to the statement of profit & loss on a pro-rata basis. The management believes that depreciation rates currently used, fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in the below mentioned case is different from the useful life prescribed under Schedule II of Companies Act, 2013.

Assets	Usefull Life
Office Equipments	Over a period of 10 years

- (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. The useful life of office equipments is different in Subsidiary and Holding Company being 5 years and 10 years respectively.
- (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

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6. Revenue Recognition

(a) Sale of Goods

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

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

(b) Other Income

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

7. Fixed Assets

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

8. Foreign Currency Transactions

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

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

9. Government Grants

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

10. Investments

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

11. Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Long-term Employee Benefits

(a) Defined Contribution Plans

Provident Fund

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

(b) Defined Benefit Plan

Gratuity Plan

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

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

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

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

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

(iv) Other Long-term employment benefits

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

(v) Employee Stock Option Scheme:

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



12. **Borrowing Costs**
Borrowing costs attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard (AS) – 16 on "Borrowing Costs" are capitalized as part of the cost of such assets up to the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred.
13. **Segment Reporting**
The company & its subsidiary companies are presently engaged in the business of manufacturing and processing of knitted hosiery fabrics, ready made garments, ready to wear ethnic/fusion apparels for women & sportswear apparels. Disclosure relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS) – 17 have been made for a single product and for two geographical segments—local & exports.
14. **Leases**
Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.
15. **Earning Per Share**
Basic and diluted earnings per share have been computed by dividing net profit after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding for the period in accordance with AS-20, "Earning Per Share".
16. **Taxes on Income**
Income tax comprises the current tax provision and the net change in the deferred tax asset or liability in the year. The deferred tax assets and liabilities are calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted tax rates. Deferred tax assets are not recognised on un-absorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.
Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.
Minimum Alternate Tax (MAT) is recognised as an asset only when, and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income-tax during the specified period.
17. **Expenditure on Research and Development**
Revenue expenditure is recognised as expense in the year in which it is incurred and the expenditure on capital assets is depreciated over the useful lives of the assets.
18. **Impairment**
At each balance sheet date, the management reviews the carrying amount of its assets to determine whether there is any indication that those assets were impaired. If any such indication exists, the same is appropriately dealt with in the books after determining the extent of impairment loss.
Reversal of impairment loss is recognized immediately as income in the profit and loss account.
19. **Provisions, Contingent Liabilities and Contingent Assets**
 - (a) Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
 - (b) Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.
 - (c) Contingent assets are neither recognised nor disclosed in the financial statements.
20. **Custom duty**
Custom duty payable on imported Raw materials, components, stores/spares etc is recognised to the extent assessed and charged by the custom department.
21. **Service tax input credit**
Service tax on input service is expensed out since the Company does not have any output liability.

3. **Share Capital**

	As at 31st March, 2017	As at 31st March, 2016
	Amt. in Rs.	Amt. in Rs.
Authorised		
18,000,000 Equity Shares of Rs. 10 each	180,000,000	180,000,000
Issued, Subscribed and Paid-up	167,632,330	166,743,030
1,67,63,233 Equity Shares of Rs. 10 each, fully paid up		
(Previous year 1,66,74,303 Equity Shares of Rs. 10 each, fully paid up)	167,632,330	166,743,030

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	As at 31 st March, 2017		As at 31 st March, 2016	
	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	16,674,303	166,743,030	16,674,303	166,743,030
Add: Shares issued on Rights Basis	-	-	-	-
Add: Shares allotted under the Employee Stock Option Plan	88,930	889,300	-	-
Number of shares outstanding as at the end of the year	16,763,233	167,632,330	16,674,303	166,743,030
(b) The company and its subsidiary companies have only one class of shares i.e. Equity Shares having a face value of Rs. 10 each. The equity shareholders are entitled to dividend only if dividend in a particular financial year is recommended by the Board of Directors and approved by the members at the annual general meeting of that year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by share holders.				
(c) List of shareholders holding more than 5% shares as at the Balance Sheet date				
	As at 31 st March, 2017		As at 31 st March, 2016	
<u>Name of the Shareholder</u>	No. of shares	% of holding	No. of shares	% of holding
Pawan Kishorilal Agarwal	11,890,700	70.933	12,090,700	72.511
(d) Shares reserved for issue under options				
960000 shares were issued under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. Till date, the Company has granted options to 48 employees aggregating to 278700 options. Out of this, 18 employees accepted the grant aggregating to 219500 options. Thirty employees did not accept 59200 options granted to them. The unaccepted options are ploughed back in the pool for further allocation. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. Out of above 12 Employees have exercised their option and accordingly in the month of May 2016, the Company has allotted 88930 Equity Shares against their accumulated options.				
(e) Further the Compensation Committee has further granted 13000 options to 20 Employees in their meeting held in the month of February 2017. In addition to this the Company on the successful completion of 25 years of its operations decided to reward its Employees additional option to mark the Silver Jubilee celebrations of the Company. Accordingly the Compensation Committee has granted additional 1,11,605 options to 38 Employees both Senior and Junior level Employees. In total in the month of February 2017, the Company has granted additional 1,24,605 options to 38 Employees and all Employees have accepted their grant. In view of Special Resolution passed by members in their 25th Annual General Meeting, all the options granted shall vest after one year from the grant date.				
(f) 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 and the proceeds are utilised fully as stated in the offer document.				
(f) Shares allotted as fully paid-up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding 31st March, 2017)				
There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2017)				
	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
4. Reserves and Surplus				
Security Premium		2,003,148		
ESOP Outstanding		1,065,373		
Surplus in Statement of Profit and Loss				
Balance as at the beginning of the year	99,580,494		90,123,384	
Add: Profit for the year	20,976,854		12,998,648	
	120,557,347		103,122,033	
Less: Appropriations				
Transitional impact on Depreciation on account of change from Companies Act, 1956 to Companies Act, 2013	-		-	
Proposed Dividend	-		2,934,963	
Tax on Proposed Dividend	-		606,576	
	120,557,347		99,580,494	
		120,557,347		99,580,494
Balance as at the end of the year		123,625,868		99,580,494
The Board of Directors has recommended a dividend of Rs.0.50 per share exclusively on the portion of the share capital held by the public as on 31.03.2017. The promoters have waived their entitlement of receiving the dividend in order to support the business activities of the company. The proposed dividend is subject to the approval by Shareholders at the ensuing Annual General Meeting and has not been recorded as a liability as at 31st March 2017 in accordance with Revised Accounting Standard (AS)-4 "Contingencies and Events Occurring after Balance Sheet date.				



5. Long-term Borrowings
Secured

Term Loans

From Banks

34,566,249

43,351,553

34,566,249

43,351,553

34,566,249

43,351,553

Term Loan-I from Axis Bank

Sanctioned amount	Rs.450 lakhs
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705
Repayment	repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	424.33	0.00	44.65	143.13	325.85

Term Loan-II from Axis Bank

Sanctioned amount	Rs.22 lakhs *
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705
Repayment	repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.
	* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	9.18	0.00	0.17	9.35	0

Term Loan-III from Axis Bank

Sanctioned amount	Rs.40 lakhs *
Secured by	hypothecation of current assets of the company. The loan is collaterally secured by Land and Building and other movable fixed assets situated at C 253 and C 254, TTC Industrial area, Pawne village-Plant, Turbhe, Navi Mumbai-400705
Repayment	repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a.
	* The Balance amount of the Loan availed from Indian Overseas Bank under TUF Scheme is transferred to Axis Bank Limited consequent to shifting of the Banking Limits from Indian Overseas Bank to Axis Bank Limited.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2016-17	0	23.63	1.12	4.94	19.82

As at

31st March, 2017

As at

31st March, 2016

Amt. in Rs.

Amt. in Rs.

Amt. in Rs.

Amt. in Rs.

6. Other Long-term Liabilities

Security Deposit

27,843,700

7,948,700

27,843,700

7,948,700

7. Short-term Borrowings

Loan repayable on demand from bank

Secured

228,495,580

190,872,003

228,495,580

190,872,003

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

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	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
8. Trade Payables				
Micro and Small Enterprises*	30,671,106		11,303,186	
Others	151,557,601		97,752,284	
		<u>182,228,707</u>		<u>109,055,470</u>
* Micro and Small Enterprises				
i. Principal Amount Remaining unpaid		30,671,106		11,303,186
ii. Interest		Nil		Nil
iii. Total of a & b		30,671,106		11,303,186
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, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
9. Other Current Liabilities				
Unpaid Dividend	2245238		1648369	
Other payables				
ESIC	160184		105338	
Provident fund	556386		498494	
Salary & remuneration	9870452		3898721	
TDS	1527498		1438932	
Professional tax	63150		47000	
Sales Tax	234458		860753	
Service Tax	(100)		11914	
Dividend Payable	-		2934963	
Advances from customers	1488888		9528933	
		<u>16,146,154</u>		<u>20,973,417</u>
Note: There are no amounts that have become due for payment to the Investor Education and Protection Fund as required under Section 125 of the Companies Act, 2013 as at the year end.				
10. Short-term Provisions				
Provision for employee benefits				
Bonus payable	1,413,857		978,520	
Ex- Gratia Payable	2,219,832		1,382,214	
Gratuity	2,711,774		1,777,667	
Leave salary	2,779,847		1,919,130	
	9,125,310		6,057,531	
Provision others				
Provision for expenses	16,951,032		8,567,593	
		<u>26,076,342</u>		<u>14,625,124</u>



11. Fixed Assets

Sr. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		As at 01.04.2016	Additions	Deduction/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the Period	Deductions	Other Adjustments	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
Tangible Assets												
1	Land (Leasehold)	1,642,190	-	-	1,642,190	-	-	-	-	-	1,642,190	1,642,190
2	Building	38,472,991	-	-	38,472,991	14,966,839	2,696,889	-	-	17,663,728	20,809,263	23,506,152
3	Plant & Machinery	295,027,920	2,105,688	26,466	297,107,142	266,471,505	5,626,899	-	-	272,098,404	25,008,738	28,556,415
4	Furniture & Fixtures	56,792,722	749,290	-	57,542,012	16,775,097	5,078,240	-	-	21,853,337	35,688,675	40,017,625
5	Office & Other Equip.	18,344,135	1,557,884	-	19,902,019	6,091,872	1,635,617	-	-	7,727,489	12,174,531	12,252,263
6	Computers	14,270,182	656,247	-	14,926,429	11,353,933	1,232,864	-	-	12,586,797	2,339,632	2,916,249
7	Electrical Installation	14,477,215	174,640	-	14,651,855	8,398,123	924,144	-	-	9,322,267	5,329,588	6,079,092
8	Vehicles	2,018,681	1,125,000	-	3,143,681	1,035,377	312,528	-	-	1,347,905	1,795,777	983,305
		441,046,036	6,368,749	26,466	447,388,319	325,092,746	17,507,180	-	-	342,599,926	104,788,393	115,953,290
Intangible Assets												
1	Software	3,488,907	309,150	-	3,798,057	1,798,782	789,733	-	-	2,588,515	1,209,542	1,690,125
2	Trademark(Brand)	300,000	-	-	300,000	300,000	-	-	-	300,000	-	-
		444,834,943	6,677,899	26,466	451,486,376	327,191,528	18,296,913	-	-	345,488,441	105,997,935	117,643,415
	Previous Year	428,574,636	16,260,307	-	444,834,943	309,600,221	17,591,307	-	-	327,191,528	117,643,415	-

Capital Work In Progress

2,262,932

Intangible Assets Under Development

2,078,378 2,078,378

As at 31 st March, 2017		As at 31 st March, 2016	
Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.

12. Deferred tax (liability) / asset

Tax effect of items constituting deferred tax liability

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

35,528.00 111,638.00

On expenditure deferred in the books but allowable for tax purposes

1,054,193 925,952

1,089,721 1,037,590

Tax effect of items constituting deferred tax assets

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

650,386 1,100,224

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

1,985,511 1,384,840

Unabsorbed depreciation carried forward

166,441 558,118

Current year losses

340,268 -

Tax effect of items constituting deferred tax assets

3,142,606 3,043,182

Net deferred tax (liability) / asset

2,052,885 2,005,592

Out of 20.52 lakhs of deferred tax assets we have Recognised only Rs. 10.27 lakhs as in Suditi Design Studio Limited -In terms of Accounting Standard 22 "Accounting for Taxes on Income", the Company has computed Net Deferred Tax Asset for the F.Y. 2016-2017 amounting to Rs. 10.25 lakhs . The Management does not consider it appropriate to account for the Net Deferred Tax Asset due to uncertainty of future profits.

As at 31 st March, 2017		As at 31 st March, 2016	
Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.

13. Long-term Loans and Advances

(Unsecured, Considered Good unless otherwise stated)

Capital Advances

2,791,810 2,791,810

Security Deposits

40,361,517 41,698,553

43,153,327 44,490,363

43,153,327 44,490,363

14. Other Non Current assets

Amortisation of Right Issue Expenses

- 382778

Preliminary Expenses - Others

- 1,044,743

Pre-operative Expenses not written off

- 50,729

- 1,478,250

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	As at 31 st March, 2017		As at 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
15. Current Investments (At lower of cost and market value)				
Investments Equity Shares of IDBI Bank Ltd (Quoted) [2880 (Including Bonus Shares issues of 1080 shares)] (Aggregate Market Value Rs.2,16,288/- P.Y. Rs.2,00,160/-)	216,288		234,000	
		<u>216,288</u>		<u>234,000</u>
16. Inventories (At lower of cost and net realisable value)				
Raw Materials	11,804,602		16,733,537	
Work in Progress	17,592,221		10,499,734	
Finished Goods	293,785,746		156,272,461	
Stock In Trade	-		43,588,314	
Stores and Spares	4,297,424		5,490,531	
Fuel & Oil	747,257		156,365	
		<u>328,227,250</u>		<u>232,740,942</u>
17. Trade Receivables				
Outstanding for a period exceeding six months from the date they were due for payment				
Unsecured, Considered Good	47,315,316		20,926,583	
Less: Provision for Doubtful Debts	-		-	
		<u>47,315,316</u>		<u>20,926,583</u>
Others				
Unsecured, Considered Good	252,315,565		188,276,436	
		<u>252,315,565</u>		<u>188,276,436</u>
		<u>299,630,882</u>		<u>209,203,019</u>
18. Cash and Bank Balances				
(i) Cash and Cash Equivalents				
(a) Balances with Banks	1,307,141		1,339,208	
(b) Cash on Hand	618,338		648,895	
(ii) Earmarked Balances with Banks				
Unclaimed Dividend	2,245,490		1,648,477	
		<u>4,170,969</u>		<u>3,636,579</u>
		<u>4,170,969</u>		<u>3,636,579</u>
19. Short-term Loans and Advances (Unsecured, Considered Good)				
Loans and advances to employees	53,160		364,580	
Loans and advances to related party	-		-	
Prepaid expenses	3,859,433		688,820	
Balances with government authorities				
Central Excise and Customs	613,906		613,906	
Service Tax receivable	-		-	
Sales tax Refund and Set-off	6,483,551		7,538,908	
Income Tax (Net of provisions)	1,339,576		11,121,306	
* MAT Credit Entitlement	-		6,561,567	
Advances to Suppliers	920,433		2,576,682	
		<u>13,270,059</u>		<u>29,465,769</u>
20. Other Current Assets				
Others				
Receivable in Cash or Kind	6,689,037		11,106,228	
		<u>6,689,037</u>		<u>11,106,228</u>

SUDITI INDUSTRIES LTD


	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
21. Revenue from Operations				
Sale of products (Refer Note (i) below)	1,241,677,376		893,659,726	
Sale of services (Refer Note (ii) below)	-		-	
Other operating revenues (Refer Note (iii) below)	1,283,438		1,384,761	
		1,242,960,814		895,044,487
Revenue from Operations (Gross)		1,242,960,814		895,044,487
Less: Excise Duty		1,119,938		430,713
Revenue from Operations (Net)		1,241,840,876		894,613,774
Notes:				
(i) Sale of products:				
<u>Manufactured Goods</u>				
Knitted Fabrics	568,824,760		390,562,455	
Garments & Apparels	671,732,678		502,666,558	
	1,240,557,438		893,229,013	
<u>Traded Goods</u>				
Trading Goods	-	1,240,557,438	-	893,229,013
(ii) Sale of services:				
Commission	-	-	-	-
(iii) Other operating revenues:				
Scrap Sales	1,241,404		1,333,309	
Duty Drawback	42,034	1,283,438	51,452	1,384,761.35
22. Other Income				
Interest Income from Banks on Deposits	120,569		13,345	
Interest on Income Tax Refund	-		637,338	
Other Interest	29,310		736,888	
	149,879		1,387,571	
Dividend Income	-		2,160	
Other non operating Income	4,446,779		4,881,069	
		4,596,658		6,270,799
23. Cost of Materials consumed				
Opening stock	16,733,537		18,849,980	
Add: Purchases	536,151,882		265,793,453	
Less: Closing stock	11,804,602		16,733,537	
		541,080,817		267,909,895
Material consumed:				
Chemicals	47,744,625		52,207,732	
Dyes	21,019,736		24,103,924	
Yarn & Fabric	383,886,383		161,172,564	
Other Raw Materials	39,144,709		13,097,565	
		491,795,453		250,581,785
24. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade				
Inventories at the end of the year:				
Finished goods	293,785,746		156,272,461	
Work-in-progress	17,592,221		10,499,734	
Stock-in-trade	-		43,588,314	
		311,377,967		210,360,509
Inventories at the beginning of the year:				
Finished goods	156,272,461		173,933,864	
Work-in-progress	10,499,734		12,561,065	
Stock-in-trade	43,588,314	210,360,509	520,196	187,015,125
		(101,017,458)		(23,345,384)

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	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
25. Employee Benefits Expense				
Salaries and wages	82,514,718		73,005,221	
Contributions to provident and other funds	3,552,023		4,242,420	
Expense on employee stock option (ESOP) scheme	-		-	
Staff welfare expenses	4,528,977		3,861,810	
Employee Compensation Expenses	3,068,521		-	
		<u>93,664,239</u>		<u>81,109,451</u>
26. Finance Costs				
Interest Expenses on:				
Borrowings	28,187,831		29,062,613	
Trade Payables	891,170		716,668	
Others	1,902,823		532,078	
Interest on delayed / deferred payment of income tax				
Interest on delayed payment of Excise duty				
Interest on delayed payment of Service tax		<u>30,981,824</u>		<u>30,311,359</u>
27. Other Expenses				
Stores & Spares Consumable	21,682,369		20,568,480	
Consumption Of Packing Materials	6,838,541		9,876,661	
Sub Contracting	92,819,667		94,300,192	
Power & Fuel	57,419,741		56,371,258	
Water	7,796,326		5,834,597	
Rent Including Lease Rentals	9,221,735		7,211,736	
Cam Charges	187,847		-	
Repair & Maintenance:				
Building	1,183,332		3,384,614	
Machinery	2,949,367		2,675,793	
Others	6,494,113		5,350,321	
Insurance	701,758		531,240	
Garment Division Expenses	-		20,422	
Rates & Taxes	12,570,952		9,441,052	
Communication	2,403,594		2,888,929	
Travelling & Conveyance	7,051,098		5,523,689	
Printing & Stationery	984,932		1,241,893	
Sales Commission	2,453,872		11,212,222	
Business Promotion Expenses	2,587,439		1,630,737	
Discount on Sales	344,936,793		182,881,489	
Pilferage & Shortage	1,390,438		-	
Royalty	6,422,644		8,378,810	
Donations & Contributions	-		-	
Legal & Professional	10,017,467		8,018,420	
Statutory Auditors Remuneration	763,500		520,975	
Transportation Charges	9,694,321		8,637,654	
Bank Charges, Commission & Others	784,549		563,886	
Advertisement Expenses	2,813,336		401,582	
Motor Car Expenses	1,419,052		1,580,853	
Security Charges	3,626,395		3,972,007	
Registrar & Transfer Expenses	140,097		135,850	
Subscription & Membership	411,972		108,353	
Sundry Balance W/Off	1,766,023		18,103	
Prior Period Expenses	4,308,219		259,254	
Deferred Tax Assets W/Off	-		-	
Amortisation of Share issue expenses	382,778		382,779	
Loss on sale of fixed assets	94,989		-	
Establishment Management Fees	-		5,466,880	
Preliminary Expenses - W/Off	815,043		203,760	
Pre Operative Expenses- Others	33,393		102,840	
Miscellaneous Expenses	2,730,035		3,639,640	
		<u>627,897,727</u>		<u>463,336,971</u>



28. Auditors' Remuneration		
Statutory Audit Fees	606,000	377,850
Tax Audit Fees	128,750	143,125
Other Services	28,750	-
	<u>763,500</u>	<u>520,975.00</u>
	For the year ended 31 st March, 2017	For the year ended 31 st March, 2016
29. Proposed Dividend		
Proposed Dividend (Amt. in Rs.)	2,240,867	2,934,963
Number of shares outstanding as at the end of the year		
Promoter group	12,281,500	12,481,500
Non-Promoter group	4,481,733	4,192,803
Dividend per Share (Rs. per Equity Share of Rs. 10 each)	0.50	0.70

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Board of Directors has recommended a Dividend of Rs.0.70 per share exclusively on the share capital held by the public for the year ended 31st March, 2017. The promoters have waived their entitlement of receiving dividend in order to support the business activities of the company.

30. Employees' Stock Option Plan 2011

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

The options granted under the Scheme shall vest not less than one year and not more than five years from the date of grant of options. Under the terms of the Scheme, the total options are divided on certain prescribed basis spread over a period of 5 years and accordingly the same will vest in the employee every year. The Option grantee must exercise all vested options within a period of five years from the date of granting. Once the options vest as per the Scheme, they would be exercisable by the Option Grantee at any time within the said period of five years and the shares arising on exercise of such options shall be subject to a lock-in period of 1 year after the date of allotment. During the current year, another 25% of the options so granted have been vested which is in line with the Company's ESOP scheme. Out of above 12 Employees have exercised their option and accordingly in the month of May 2016, the Company has allotted 88930 Equity Shares against their accumulated options.

Further the Compensation Committee has further granted 13000 options to 20 Employees in their meeting held in the month of February 2017. In addition to this the Company on the successful completion of 25 years of its operations decided to reward its Employees additional option to mark the Silver Jubilee celebrations of the Company. Accordingly the Compensation Committee has granted additional 1,11,605 options to 38 Employees both Senior and Junior level Employees. In total in the month of February 2017, the Company has granted additional 1,24,605 options to 38 Employees and all Employees have accepted their grant. In view of Special Resolution passed by members in their 25th Annual General Meeting, all the options granted shall vest after one year from the grant date.

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

Particulars	Grant of Options	
	I	II
Date of Grant	31-01-13	15-02-17
Market price on date of grant of the options (per share) (A)	7.68	68.4
Face value (per share) (B)	10	10
Exercise Price - higher of (A) or (B)	10	10
Expected life of the option granted(Exercise Period)	5	5
Options Granted (Nos.)	350800	124605
Options Lapsed (Nos.)	21000	0
Options Forfeited (Nos.)	97600	0
Options Vested and exercisable at the end of the period (Nos.)	154115	0
Options Exercised (Nos.)	88930	0
Options Expired (Nos.)	0	0
Options Outstanding at the end of the period (Nos.)	65185	0
Mode of settlement	Equity	Equity
Graded vesting schedule	Percentage of options granted	
1st Anniversary of the Grant Date	10%	100%
2nd Anniversary of the Grant Date	15%	N.A.
3rd Anniversary of the Grant Date	20%	N.A.
4th Anniversary of the Grant Date	25%	N.A.
5th Anniversary of the Grant Date	30%	N.A.

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The estimated fair value computed as prescribed by an independent valuer on the basis of Black Scholes pricing model for each stock option granted is within the range of Rs.10.00 to Rs.58.32 per option. Accordingly, the compensation cost and charge to the profit and loss account for the year ended March 31, 2017 would have been higher by Rs.38,01,589/- 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.1.08 and Rs.1.07. However, the Company has already considered the liability on account of the options granted in the year February 2017 in the Books as the market price was higher than the option exercised price.

	Unit	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
31. Consumption of Raw, Stores & Spares and Packing Materials					
Chemicals			47,744,625		52,207,732
Dyes			21,019,736		24,103,924
Yarn & Fabric	Kgs	990,895	383,886,383	689,535	167,405,665
Other Raw Materials			39,144,709		13,097,565
Stores & Spares			83,332,786		38,447,126
Packing Materials			6,832,441		9,548,760
			<u>581,960,680</u>		<u>304,810,772</u>
			For the year ended 31 st March, 2017		For the year ended 31 st March, 2016
		%	Amt. in Rs.	%	Amt. in Rs.
Imported		0.45	2,596,147	0.21	570,748
Indigenous		99.55	579,364,533	99.81	304,567,925
		100.00	581,960,680	100.02	305,138,673

Notes:

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

	Unit	As at 01 st April, 2016		As at 01 st April, 2015	
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
32. Opening Stock					
1. Yarn	Kgs	40,981	7,609,235	42,079	7,909,104
2. Grey fabric	Kgs	16,428	3,071,580	24,390	4,725,932
3. Chemicals			1,661,746		1,569,588
4. Stores, Spares & Other items			7,605,816		7,726,057
5. Packing Materials			646,190		706,318
6. Dyes			1,785,867		2,706,432
7. Stock in trade	Pcs	108,287	43,588,314	2,962	520,196
8. Work in Progress	Kgs	10,900	8,968,675	14,761	10,072,190
	Pcs	188,602	1,531,059	36,089	2,488,875
9. Finished Goods					
Finished Fabric	Kgs	139,243	11,333,460	240,718	70,923,562
Finished Garments	Pcs	364,529	144,939,002	329,188	103,010,302
			<u>232,740,943</u>		<u>212,358,556</u>
			For the year ended 31 st March, 2017		For the year ended 31 st March, 2016
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
33. Sales					
1. Processed Fabric	Kgs	3,214,204	581,189,813	2,965,828	391,112,991
2. Ready Made Garments	Pcs	560,691	92,414,214	1,067,696	154,908,050
3. Garments & Apparels (Retail Division)	Pcs	577,727	580,057,229	328,489	354,297,316
4. Trading Sales - Fabric & Others	Mtrs	-	-	-	-
			<u>1,253,661,256</u>		<u>900,318,357</u>
34. Purchases of Stock-in-Trade					
1. Purchases - Fabric & Others	Mtrs	-	-	414,702	39,298,825
			-		<u>39,298,825</u>



	For the year ended 31 st March, 2017		For the year ended 31 st March, 2016		
	Quantity	Amt. in Rs.	Quantity	Amt. in Rs.	
35. Closing Stock					
1. Yarn	Kgs	21,945	40,981	7,609,235	
2. Grey fabric	Kgs	7,196	16,428	3,071,580	
3. Chemicals		1,792,547		1,661,746	
4. Stores, Spares & Other items		5,801,919		7,605,816	
5. Packing Materials		660,517		646,190	
6. Dyes		1,576,014		1,785,867	
7. Stock in trade	Kgs	-	108,287	43,588,314	
	pcs	-	-	-	
8. Work in Progress	Kgs	492,989	10,900	8,968,675	
	pcs	70,886	188,602	1,531,059	
9. Finished Goods					
Finished Fabric	Kgs	293,561	139,243	11,333,460	
Finished Garments	Pcs	367,749	364,529	144,939,002	
		<u>328,227,250</u>		<u>232,740,943</u>	
		For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
		Quantity	Quantity	Amt. in Rs.	
36. CIF Value of Imports					
Components and Spare Parts		2,596,147		570,748	
Capital Goods					
37. Expenditure in Foreign Currency					
Travelling		303,250		505,390	
Others		-		1,103,438	
38. Earnings in Foreign Exchange					
FOB Value of Exports		361,069		1,014,903	
39. Forward Contracts and Unhedged Foreign Currency Outstanding Balances					
The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2017 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, 2017		As at 31 st March, 2016	
Particulars		Amount in Foreign Currency	Amt. in Rupees	Amount in Foreign Currency	Amt. in Rupees
Receivables					
US Dollar		-	-	-	-
Payables #					
#	There is no amount payable in foreign currency outstanding as on 31st March, 2017.				
40. Employee Benefits					
The company has classified various employee benefits as under:					
(A) Defined Contribution Plans					
The company has recognised the following amounts in the Statement of Profit and Loss for the year:					
		For the year ended 31 st March, 2017		For the year ended 31 st March, 2016	
		Amt. in Rs.		Amt. in Rs.	
(i)	Contribution to Provident Fund	2,886,820		2,445,573	
(ii)	Contribution to Employees' State Insurance Scheme	898,972		700,729	
(B) Defined Benefit Plan					
Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:					

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	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate (per annum)	7.15%	7.15%	7.45%	7.45%
(b) Rate of increase in Compensation Levels	5.00%	5.00%	5.00%	5.00%
(c) Rate of Return on Plan Assets	N.A	8.25%	N.A	8.35%
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation	1,919,130	5,864,633	1,920,310	4,941,508
(b) Interest Cost	136,561	420,527	144,784	339,905
(c) Past Service Cost	-	-	-	-
(d) Current Service Cost	972,850	974,312	397,579	887,776
(e) Benefits Paid	(172,178)	(439,962)	(128,207)	(1,167,502)
(f) Actuarial (Gain)/Loss	(76,516)	(127,269)	(415,336)	862,946
(g) Closing Present Value of Obligation	2,779,847	6,692,241	1,919,130	5,864,633
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	4,086,966	-	3,622,207
(b) Expected Return on Plan Assets	-	322,893	-	331,629
(c) Actuarial Gain/(Loss)	-	10,570	-	8,011
(d) Employers' Contributions	-	-	-	1,292,621
(e) Benefits Paid	-	(439,962)	-	(1,167,502)
(f) Closing Fair Value of Plan Assets	-	3,980,467	-	4,086,966
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	2,779,847	6,692,241	1,919,130	5,864,633
(b) Fair Value of Plan Assets as at the year end	-	3,980,467	-	4,086,966
(c) (Asset)/Liability recognised in the Balance Sheet	2,779,847	2,711,774	1,919,130	1,777,667
	For the Year ended 31 st March, 2017		For the Year ended 31 st March, 2016	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	1,002,204	974,312	397,579	887,776
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	136,561	420,527	144,784	339,905
(d) Expected Return on Plan Assets	-	(322,893)	(415,336)	(331,629)
(e) Net Actuarial (Gain)/Loss	(76,516)	(137,838)	-	854,935
Total Expenses recognised in the Statement of Profit and Loss	1,062,249	934,108	542,363	1,750,987

NOTE:

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

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	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amt. in Rs.	Amt. in Rs.
41. Segment Information		
(A) Information in respect of Primary Segments		
Refer Note (a) below		
(B) Information in respect of Secondary Segments		
(I) Segment Revenue		
India	1,253,844,860	900,574,293
Other Countries	361,069	1,014,903
	<u>1,254,205,929</u>	<u>901,589,196</u>
(II) Carrying Amount of Segment Assets		
India	825,450,131	668,223,655
Other Countries	-	-
	<u>825,450,131</u>	<u>668,223,655</u>
(III) Capital Expenditure		
India	6,677,899	16,260,307
Other Countries	-	-
	<u>6,677,899</u>	<u>16,260,307</u>
Notes:		
(a) The primary reporting of the company is based on the business segment. The company has no substantial amount of business in other segment except manufacturing of knitted hosiery fabrics and readymade garments.		
(b) Secondary segment reporting is based on the geographical location of customers. Revenue is segregated in to two segments namely India and Other Countries for the purpose of reporting geographical segments.		
(c) The accounting policies adopted for segment reporting are in line with the accounting policies adopted for the preparation of financial statements as disclosed in Note 2.		
(d) In the opinion of the Company it is not practicable to provide segmentwise disclosure relating to the Capital Employed as it cannot be bifurcated between segments considering the nature of production facilities which are common and combined for all the segments.		
42. Related Party Disclosures		
Related parties with whom the company had transactions during the year		
a) Key Management Personnel		
1. Mr.Pawan Agarwal - Chairman and Managing Director		
2. Relatives of Key Management Personnel:		
1. Mr.Kishorilal Agarwal (Father - Late)		
2. Mr.Anand Agarwal (Brother)		
3. Mr.Rajendra Agarwal (Brother)		
4. Mrs.Pramila Agarwal (Wife of Anand Agarwal)		
5. Mrs.Shalini Agarwal (Wife of Pawan Agarwal)		
b) Enterprises under Common control of the Promoters		
1. BLR Knits Pvt. Ltd.		
2. Intime Knits Pvt. Ltd.		
3. Black Gold Leasing Pvt. Ltd.		
4. R. Piyarellal Pvt. Ltd.		
5. Suditi Design Studio Ltd		
6. Suditi Sports Apparel Ltd		
Disclosure of transactions between the company and related parties		
	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal	2,100,000	2,100,000
	<u>2,100,000</u>	<u>2,100,000</u>
b) Enterprises under Common control of the Promoters		
a) Sale of Goods		
1. Intime Knits Pvt. Ltd.	19,346,924	12,892,913
2. BLR Knits Pvt. Ltd.	12,048	234,348
3. Suditi Design Studio Ltd.	14,918,783	6,424,886

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b)	Purchase of Goods		
	1. Intime Knits Pvt. Ltd.	297,607	1,651,079
	2. BLR Knits Pvt. Ltd.	-	-
c)	Services Received		
	1. Intime Knits Pvt. Ltd.	50,527	237,347
	2. Black Gold Leasing Pvt. Ltd.	8,747,947	14,588,702
	3. R. Piyarellal Pvt. Ltd.	1,056,820	1,376,455
	4. BLR Knits Pvt. Ltd.	11,579	-
d)	Balance Outstanding as at the year end		
	1. BLR Knits Pvt. Ltd. (Receivable)	461,091	-
	2. Intime Knits Pvt. Ltd. (Net Receivable)	708,495	-
	Intime Knits Pvt. Ltd. (Net Payable)	22,285	7,366,586
	3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	30,381,466	30,831,466
	4. Black Gold Leasing Pvt. Ltd. (Net Payable)	658,891	-
	5. R. Piyarellal Pvt. Ltd. (Payable)	305,177	159,553
	6. Suditi Design Studio Ltd (Receivable)	9,922,590	6,404,719
43.	Leases		
(I)	Disclosures for Finance Leases		
	The company has not entered into any finance lease arrangement during the year.		
(II)	Disclosures for Operating Leases		
	Disclosures in respect of Premises taken on lease.		
		For the year ended	For the year ended
		31st March, 2017	31st March, 2016
		Amt. in Rs.	Amt. in Rs.
(a)	Lease payments recognised in the Statement of Profit and Loss	9,221,735	7,211,736
(b)	Significant leasing arrangements		
	The terms of lease include terms of renewals, increase in rent in future period, terms of cancellation, etc.		
i)	Terms of Leases	3 - 9 year	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	-	-
(ii)	Later than one year and not later than five years	-	-
(iii)	Later than five years	-	-
44.	Earnings per Share		
	Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:		
		For the year ended	For the year ended
		31st March, 2017	31st March, 2016
	Profit for the year (Amt. in Rs.)	<u>20,976,854</u>	<u>12,998,648</u>
	Weighted average number of Shares for Basic Earnings per Share	16,748,411	16,674,303
	Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-

SUDITI INDUSTRIES LTD



Add: Effect of Dilutive Potential Shares (Employee Stock Options)	<u>65,185</u>	<u>97,750</u>	
Weighted average number of Shares for Diluted Earnings per Share	<u>16,813,596</u>	<u>16,772,053</u>	
Earnings per Share (Rs. per Equity Share of Rs. 10 each)			
Basic	1.25	0.78	
Diluted	1.25	0.78	
	As at <u>31st March, 2017</u>	As at <u>31st March, 2016</u>	
	Amt. in Rs.	Amt. in Rs.	
45. Contingent Liabilities			
(a) Claims against the company not acknowledged as debts			
(i) Sales tax matters	35,703,384	16,029,051	
(ii) Excise matters	-	-	
(iii) Income tax matters	-	-	
	<u>35,703,384</u>	<u>16,029,051</u>	
(b) Bond/Guarantee given to any Government Department or Corporation			
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	3,769,310	16,910,924	
	<u>3,769,310</u>	<u>16,910,924</u>	
Note:			
(i) Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.			
(ii) The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.			
(iii) Similarly in respect of Item (b)(i) the Liability may vary depending up to the scheme if any allowed or permitted at the time of redemption or settlement of the licence which may include interest and other penalties/levies.			
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous year Rs. Nil).			
46. Specified Bank Noted(SBN's): During the year, the Company had Specified Bank Notes(SBN) or other denomination notes as defined in the MCA Notification G.S.R.308(E) dated 30th March,2017.The details of SBN held and transacted during the period from 08th November,2016 to 30th December,2016,the denomination wise SBN's and other notes as per the notification are as follows:-			
	SBNs*	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	813,500	161,029	974,529
(+) Permitted receipts	-	1,049,333	949,333
(-) Permitted payments	-	(731,608)	(685,701)
(-) Amount deposited in Banks	(813,500)	-	(813,500)
Closing cash in hand as on 30.12.2016	-	478,754	478,754
*For the purpose of this clause,the term "Specified Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance,Department of Economic Affairs number S.O.3407(E) dated 08 November,2016.			
Signatures to Notes 1 to 46			
In terms of our report of even date	For and on behalf of the Board		
For Chaturvedi & Co.	Pawan Agarwal	Sushil Kumar Kasliwal	
Chartered Accountants	Chairman & Managing Director	Director	
(Firm Registration No.302137E)			
	Vivek Gangwal	Sanjula Sanghai	
	Director	Director	
(S.N.Chaturvedi)			
Partner	H.Gopalkrishnan	Manoj Khemka	
(Membership No.040479)	V.P.Finance & Company Secretary	V.P.Accounts & Commercial	
Mumbai, 29 th May, 2017	Mumbai, 29 th May, 2017		

Twenty-Sixth Annual Report 2016 - 2017

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

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
Parent:				
Suditi Industries Limited	100.79%	293,794,773	104.14%	21,844,788
Subsidiaries:				
Indian:				
1. Suditi Sports Apparel Limited	0.06%	182,370	-1.51%	(317,630)
2. Suditi Design Studio Limited	2.19%	6,390,988	-2.96%	(620,967)
Foreign:				
Minority Interests in all subsidiaries	0.04%	109,932.00	0.34%	70,663.00
Associates				
(Investment as per the equity method)				
Indian				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Foreign:				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Joint Ventures				
(as per proportionate consolidation/investment as per the equity method)				
Indian				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Foreign:				
1.	-	-	-	-
2.	-	-	-	-
3.	-	-	-	-
Eliminations	-3.09%	(9,000,000)	0.00%	-
	100.00%	291,478,062	100.00%	20,976,854

**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 Sixth Annual General Meeting of the Company, to be held on Friday the 29th September, 2017 at 11.30 a.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, 2017.		
2.	Approval of dividend on the portion of the Equity Shares held by the public for the year ended 31 st March, 2017.		
3.	Re-appointment of Smt. Sanjula Sanghai as a Director, who retires by rotation and, being eligible, offers herself for re-appointment.		
4.	Appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors in place of outgoing Statutory Auditors and fixing their remuneration.		
Special Business			
5.	To increase the Authorized Share Capital of the Company.		
6.	To amend the Memorandum of Association.		
7.	To consider and approve the modifications in the Suditi Employees Stock Option Plan 2011 in respect of "clause 3.10" of definition of Employees.		

Signed this _____ day of _____ 2017

Signature of shareholder(s): _____ Signature of Proxy holder(s): _____

Please
Affix
Revenue
Stamp

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

SUDITI INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the Twenty Sixth 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 Friday the 29th September, 2017 at 11.30 a.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.



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

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

DATE : 29TH SEPTEMBER, 2017

DAY & TIME : FRIDAY, 11.30 A.M.

LAND MARK : NEAR CHURCHGATE STATION (WEST SIDE)





Launch of 1st YOUWECAN Store in Varanasi

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BRANDS

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If undelivered please return to:



SUDITI INDUSTRIES LTD.

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

Tel: +91 22 67368600/10 Fax: +91 22 27683465
Email: admin@suditi.in Website: www.suditi.in