



SUDITI INDUSTRIES LTD.

27th

**ANNUAL
REPORT**

2017 - 2018

OFFICIAL APPAREL LICENSEE



BOARD OF DIRECTORS

Mr. Pawan Agarwal
(Chairman & Managing Director)

Mr. Sushil Kumar Kasliwal

Mr. Vivek Gangwal

Mrs. Sanjula Sanghai

Mr. Rajagopal Raja Chinraj
(Wholetime Director)

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

Email: cs@suditi.in | Website: www.suditi.in

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Works

Unit No.1

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

Unit No.2

C-3/B, MIDC, T.T.C. Indl. Area,
Navi Mumbai - 400 703

Auditors

Chaturvedi & Partners
B-102, Safalaya, Behind Profit Center,
Mahavir Nagar, Kandivali (W),
Mumbai - 400 067

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 - 400 101

Bankers

Axis Bank Ltd.
Punjab National Bank
Indian Overseas Bank

Registrar & Share Transfer Agents Sharex Dynamic (India) Pvt. Ltd.

Unit-1, Luthra Indl. Premises, Safed Pool,
Andheri Kurla Road, Andheri (E),
Mumbai - 400 072

Tel No. 28515606 / 28515644 / 28528087

Email : shareindia@vsnl.com

Website : www.shareindia.com

TWENTY SEVENTH ANNUAL GENERAL MEETING

Wednesday the 26th September, 2018 at
3:30 pm at Babasaheb Dahanukar Sabhagriha,
Maharashtra Chamber of Commerce , Industry &
Agriculture
Orican House, 6th Floor, 12, K. Dubhash Marg,
Fort, Mumbai - 400 001

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 the meeting.



MEETING:

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Wednesday the 26th September 2018 at 3.30 p.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture, Orion House, 6th Floor, 12, K. Dubhash Marg, Fort, Mumbai - 400 001 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, 2018 and the statement of Profit & Loss Account of the Company for the financial year ended 31st March, 2018 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 record date for the financial year ended 31st March, 2018.
- 3 To appoint a director in place of Mr. Pawan Kishorilal Agarwal (DIN No: 00808731), who retires by rotation and, being eligible, offers himself for re-appointment.
- 4 To ratify the Appointment of Statutory Auditors:

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

"RESOLVED THAT, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 ("Act"), read with the Companies (Audit & Auditors) Rules, 2014 framed there under, (including any statutory modification(s) or reenactment(s) thereof for the time being in force), pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 29th. September 2017, the appointment of M/s. Chaturvedi & Partners., Chartered Accountants (ICAI Firm Registration No.307068E) Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the board of directors be and is hereby authorised to fix the remuneration plus GST, out-of pocket travelling and living expenses, etc., payable to them for the financial year ending March 31, 2019 as may be determined by the audit committee in consultation with the auditors and such remuneration as may be agreed between the auditors and Board of Directors."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to provisions of section 161 of the Companies Act, 2013 ("The Act") and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (LODR) Regulations 2015, Shri. Rajagopal Raja Chinraj (DIN No:00158832) who was appointed as an additional director of the company by the board of directors with effect from 01.06.2018 and whose term of office expires at the date of this Annual General Meeting and being eligible for appointment, in respect of whom the Company has received Notice in writing under Section 160 of the Act, proposing his candidature for the office of Director be and is hereby appointed as a Director who is liable to retire by rotation at the Annual General Meeting."

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 2(94), 196, 197, 198 and 203 and other applicable

provisions, if any, of the Companies Act, 2013; the rules made thereunder (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013; and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members be and is hereby accorded to the appointment of Mr. Rajagopal Raja Chinraj as a Whole-time Director of the Company for a period of five years from June 1, 2018 until May 31, 2023, on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to make any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Rajagopal Raja Chinraj.

Tenure:

The appointment of Mr. Rajagopal Raja Chinraj as the Whole-time Director (Designated as Executive Director) shall be for a period of 5 years from June 1, 2018.

The Executive Director shall be paid the following remuneration:

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

Remuneration:

- a) Salary: Salary, House Rent, and other monthly allowances: Rs.1,55,000/- per month.
- b) Perquisites: The following perquisites shall be allowed in addition to salary and commission.
 1. Company's contribution towards Provident Fund if applicable as per the rules of the Company but not exceeding 12% of the salary.
 2. Encashment of Leave at the end of the tenure as per the company rules.
 3. Annual Ex-gratia for the year subject to the maximum of one month basic salary in lieu of gratuity.

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

In the event of inadequacy of profits or loss in any particular financial year comprised in the period of appointment, the maximum salary payable shall be Rs.1,55,000/- per month or such amount of monthly salary. Under such circumstances, no commission would be payable."

"RESOLVED FURTHER THAT the approval of the members be and is hereby given for continuation of his term even after completion of 70 years of age as he attains the age of 70 years during the period of his five (5) year tenure from June 1st 2018 and shall be entitled to the remuneration and perquisites as referred above in the resolution with liberty and authority to the Board of Directors to make any amendments thereto or any re-enactment thereof as may be agreed to between the Board of Directors and Mr. Rajagopal Raja Chinraj."

"RESOLVED FURTHER THAT the Board of Directors of the Company on the recommendation of the Nomination and remuneration committee be and is hereby authorized to increase the remuneration subject to the maximum of 15% in a year effectively from the date this meeting and shall remain valid for the full term of appointment unless and otherwise the same is amended or modified or altered as may be applicable as per rules, regulations, acts, enactments including the amendments' thereto."

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"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (LODR) Regulations 2015, Smt. Sanjula Sanghai (DIN No: 00049344), who was appointed as a Director liable to retire by rotation at the Annual General Meeting of the Company and in respect of whom the Company has received Notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2023."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of section 94 and all other applicable provisions of the Companies Act, 2013 (as amended) ("the Act") read with the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the company and subject to other applicable provisions and regulations as may be applicable, or such other approvals as may be necessary, approval of the members be and is hereby granted to the company once again in supersession of the earlier resolution passed in this context, for keeping any one or more of the Index of Members, debenture holders and other security holders if any, the Register of members and other related transfer registers or memorandum of transfers/transmissions together with the copies of the certificates, share certificates and other documents required to be annexed thereto, of the company at the office of the Registrar and Share transfer Agent of the company (presently Sharex Dynamic (India) Pvt. Ltd, located at Unit-1, Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East Mumbai-400072) as may be appointed from time to time by the board on the recommendation of the board committees as may be authorized by the board from time to time, instead of keeping the same at the Registered office of the company."

"RESOLVED FURTHER THAT the such Indices, Registers, Memorandum, certificates, and other relevant documents shall be kept open for inspection, at the office of the Registrars and Share transfer Agent of the company by persons entitled thereto between 11.00 A.M. to 3.00 P.M. on all working days

other than Saturdays and holidays, except when such Registers are closed under the provisions of the Act or any regulations as may be applicable from time to time.

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

8. 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 Board of directors or board constituted committee (Compensation Committee) to amend, alter, defer, cancel, modify or terminate all the clauses of the Suditi Employees Stock Option Plan 2011 (SUDITI ESOP 2011) or in part, from time to time or 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 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."

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

"RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the



time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and also in supersession of the earlier resolutions passed by the members in this regard and other applicable Rules, Regulations, Guidelines, Notifications, Clarifications and circulars as may be in force from time to time and subject to such approvals, consents, sanctions and permissions as may be necessary, the members of the Company do hereby accord their approval to all contracts/agreements/ arrangements whether existing or to be entered into by the Company in future from time to time with the following parties."

Name of the Related Party	Nature of Relationship	Particulars of Contract	Period	Likely Amount of transaction per annum (in Rs.)
Intime Knits Pvt. Ltd.	Company in which Directors are Interested	Sale of products & services. Purchase of fabrics & services.	2018-19 to 2022-23	10 crores
SAA & Suditi Retail Pvt. Ltd	Joint Venture Company	Sale/purchase of Fabrics & Finished Garments including related & other services	2018-19 to 2022-23	20crores

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

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

"RESOLVED FURTHER that the transactions with all the related parties including those already approved by the shareholders in the earlier general meetings shall include sale or purchase of all types goods and materials as well as services whether directly related with the products sold or purchased by the company or not and the Board of Directors be and is hereby authorised to undertake all such acts, deeds, matters and things to finalize and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

"RESOLVED FURTHER that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

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

"RESOLVED THAT in supersession of the earlier resolution(s) and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors of the Company, be and hereby are authorized to borrow from time to time such sum or sums of money as it may consider fit for the purpose of the business of the Company notwithstanding that the money to be borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) together with the money already borrowed by the Company may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided, however, that the total amount so borrowed by the Board of Directors and outstanding at any one time shall not exceed the sum of Rs.210 Crores (Two Hundred ten crores) at any time."

"RESOLVED FURTHER THAT Shri Pawan Agarwal Chairman and Managing Director of the Company be and is hereby authorized to finalize the terms and conditions in respect of the Borrowings and further to execute all instruments, securities and documents and writings as may be necessary or expedient to give effect to the above mentioned resolution as well as the all the actions taken in this regard till date under the resolutions passed pursuant to the provisions of Section 180(1)(c) and other applicable provisions shall also stand ratified."

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

"RESOLVED THAT pursuant to the provisions of the Section 180(1)(a) and all other applicable provision, if any, of the Companies Act, 2013, including any statutory modification(s) and re-enactment(s) thereof, for the time being in force, authority is hereby granted to the Board of Directors of the Company, to create such Mortgages, charges, and hypothecations, as the Board may deem fit, on such of the movable and/or immovable assets of the Company wherever situated, both present and future, in such manner, as the Board may deem fit, for securing any loans and/or advances already obtained and/or to be obtained in future from any financial institutions/banks/insurance companies or person or persons, and/or to secure any debentures issued and/or that may be issued at all interests, compound/additional interest, commitments charges, costs charges, expenses and all other moneys payable by the Company to the concerned lenders within the overall limits of Rs.210 Crores (Rupees Two Hundred Ten Crores Only)."

"RESOLVED FURTHER THAT the board of directors of the company (including any committee thereof), be and is hereby authorized to finalize and execute such debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings as may be necessary, proper, desirable or expedient as they may deem fit and to do all such acts, deeds and things and give such directions, as may be deemed necessary, desirable or expedient, to give effect to this resolution as well as all the actions taken in this regard under the resolutions passed till date pursuant to the provisions of Section 180(1)(c) and other applicable provisions shall also stands ratified."

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai
Dated : 08/08/2018

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NOTES:

1. Since the promoters and promoter group/PAC have expressed their desire in writing to waive their entitlement on the profit distribution in the form of dividend if any declared by the company for the year 2017-18, the Board has recommended a dividend, exclusively on the portion of the equity capital held by the public as on the record date at the rate of Rs.0.20 per Equity Share of the company.
2. A member entitled to attend and vote at the above Meeting may appoint one or more Proxies to attend and vote instead of him. The Proxy need not be a member of the Company. Proxy form to be valid shall be deposited with the company not later than forty eight hours before the time for holding the meeting. E voting procedures and instructions circular are sent along with the Notice.
3. The relevant details in respect of Item No.3, 5 and 6 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are annexed hereto.
4. The Register of members and the Share Transfer Books of the Company will remain closed from Saturday the 20th September, 2018 to Friday the 26th September, 2018 (both days inclusive) for the purpose of payment of dividend.
5. Members are also requested to notify immediately of any change in their address to the Company/Share Transfer Agents.
6. Pursuant to SEBI Circular dated April 20, 2018, shareholders holding in physical mode whose ledger folios do not have or have incomplete details with regard to PAN and Bank particulars are required to mandatorily furnish the details to the Registrars and Transfer Agents ('RTA') to the Company for updating the folio. Accordingly shareholders who have not updated their PAN / completed Bank details are requested to update same by providing the following so that the investments held by them will be fully compliant with the requisite KYC norms.
 - Letter for updation of PAN and Bank details duly signed by all the shareholders
 - Self-attested copy of PAN Card of all the holders
 - Cancelled Cheque leaf with name (if name is not printed on the cheque leaf; self-attested copy of the pass book first page will also be required)
 - Address proof (self-attested copy of Aadhar-card)
7. Pursuant to SEBI Notification dated June 8, 2018, on Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, Listed Companies and their Registrars and Transfer Agents (RTAs) have been advised to ensure that shares which are lodged for transfer are mandatorily in dematerialized form with effect from December 5, 2018. Accordingly, the Company would not be able to effectuate transfer of shares held in physical mode effective December 5, 2018.

The Shareholders holding shares in physical mode are advised to dematerialize their shares at the earliest in order to ensure smooth transfer of shares if they propose to do so in future. In case if the shareholders have any queries or need any assistance in this regard, they are requested to contact the Company's Registrar and Transfer Agent - M/s. Sharex Dynamic (India) Pvt. Ltd. at sharexindia@vsnl.com or the Company at cs@suditi.in.
8. To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company/ Registrar and Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. under the signature of the sole/first joint holder, the following information, so that the Bank Account No., Name and Address of the Bank can be printed on the dividend warrants:
 - 1) Name of Sole / First Joint holder and Folio No.
 - 2) Particulars of Bank Account, viz.
 - i) Name of Bank
 - ii) Name of Branch
 - iii) Complete address of Bank with Pin Code
 - iv) Account type, whether Saving Account (SB) or Current Account (CA)
 - v) Account No. allotted by the Bank.
9. 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.
10. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
11. 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	Shri Pawan Agarwal	Smt Sanjula Sanghai	Shri. Rajagopal Raja Chinraj
DIN	00808731	00049344	00158832
Date of Birth	19.02.1965	17.06.1967	25.03.1950
Age	About 53 years	About 49 years	About 69 years
Date of Appointment	12.09.1991	29.09.2015	30.05.2018 (effective from 1st June 2018)
Expertise in specific Functional areas	Shri Pawan Agarwal has more than two decades of experience in the finance, marketing & other related matters particularly with reference to manufacture and export of garments.	Smt. Sanjula Sanghai has wide experience in administration of business & marketing of textile & other articles.	Shri. Rajagopal Raja Chinraj has wide experience in the textile industry spanning over a period of approx 44 years. He has started his carrier as a Senior Scientist in SAMIRA. He has worked in various capacity like Quality and research officer, processing Manager, Deputy General Manager, Project Manager, Production Manager before joining the company as Works manger in 1993 and later became president of the Company. During the span of the professional carrier, he has worked in various organisations including three years period in King carpets, Lagos, Nigeria and also has work exposure in Barnsley, Yorkshire (UK).

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Qualifications	A graduate in Commerce	Graduate	B.Tech (Textiles) and Post Graduate Diploma in Wet Processing From Mumbai.
Directorships held in other companies (Excluding Foreign Companies)	R. Piyarellal Pvt. Ltd. Lehar Investrade Pvt. Ltd. Intime Knits Pvt. Ltd. Black Gold Leasing Pvt. Ltd. Suditi Sports Apparel Limited Suditi Design Studio Limited SAA & Suditi Retail Pvt. Ltd.	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 Pvt. Ltd.	Chendur Dress Manufacturers Pvt. Ltd. VeLaxmi Exim LLP (Designated Partner)
Committee position held in other companies	NIL	NIL	NIL
No. of Shares held in the company	11304411	NIL	151700 (includes the 45000 shares held by spouse).
Relationship between director inter-se	Shri Pawan Agarwal is not related to any director of the company.	Smt. Sanjula Sanghai is not related to any director of the company.	Shri. Rajagopal Raja Chinraj is not related to any director of the company.
Other Details	Shri Pawan Agarwal has widely travelled and attended various forums, exhibitions etc. in respect of promotion of export of garments from his group companies.	Smt. Sanjula Sanghai has attended various forums in respect of promotion of her business activities.	Published Few Research Papers and Articles In Textile Magazines, Represented Texcom Team For Textile Ministry for 4 Years, ISI Standards Committee Member for 6 Years, Lectures given In IIT-Delhi for Improvement of Textile Education Thru Icrut-Ministry of Textiles, Visiting Lecturer In DKTI Institute, Ichalkaranji for 3 Years, Presently NIFT Mumbai visiting Lecturer, Involved In Textile Research and Development Centre, Kharach of Grasim Industries for New Innovations.

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 11 of the accompanying Notice dated August 8, 2018:

Item No.5:

The Company in order to strengthen and broad base the board, decided to induct more persons with expertise in different areas like legal, finance, Marketing, technical etc. Accordingly the board inducted Shri. Rajagopal Raja Chinraj who was till now working with the company as President overseeing all the production and product development functions apart from other areas. The board in its meeting held on 29th May 2018 inducted him as additional director with effect from 1st June 2018 to hold office up to the date of this annual general meeting and proposed the resolution recommending his candidature to the board of directors subject to the approval of the members in the annual general meeting.

Further, since Shri. Rajagopal Raja Chinraj is qualified technocrat and was serving the company before induction to the board as president looking after all production, design, development and other technical matters, the board elevated his position and appointed him as Wholetime Director designated as Executive Director.

Mr. Rajagopal Raja Chinraj was appointed as a Whole time Director by the Board of Directors of the Company for a period of five years from June 1, 2018 to May 31, 2023 in terms of the provisions of the Companies Act, 2013 and his period of office is liable to retirement by rotation. Mr. Rajagopal Raja Chinraj has given a declaration to the Board that he is not disqualified from becoming a director under the Companies Act, 2013 and has also consented to the proposed appointment as a Whole-time Director. The Company has received a notice in writing from a Member under

Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Rajagopal Raja Chinraj for the office of Director/Whole-time Director of the Company. A brief profile of Mr. Rajagopal Raja Chinraj is already given above. Mr. Rajagopal Raja Chinraj is aged 69 years and is the present employee of the Company. Prior to his appointment as Whole-time Director of the Company with effect from June 1, 2018, he was President of the Company from the year 2008.

The Board is of the opinion that the appointment of Mr. Rajagopal Raja Chinraj as Whole-time Director of the Company would be in the best interest of the Company. The Board accordingly recommends the resolution at Item No.5 of the accompanying Notice for the approval of the Members. Mr. Rajagopal Raja Chinraj is interested in the Special Resolution set out at Item No.5 of the Notice. Relatives of Mr. Rajagopal Raja Chinraj may be deemed to be interested in the said Resolution to the extent of their shareholding interest. Save and except as stated, none of the other Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.5 of the Notice.

The Board recommends the Special resolution set out at Item No.5 of the Notice for approval by the shareholders.

Item No.6:

Pursuant to the provisions of section 149 of the Companies Act, 2013 (the Act), and also as per Regulations 17 of SEBI(LODR) Regulations 2015, every listed public company is required to have at least one half of the total number of directors as independent director (ID). An ID shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for a term up to another five consecutive years on passing of a special resolution by the company and disclosure of

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such appointment in the board's report. As per the Act, an ID is not liable to retire by rotation.

Keeping in view the new provisions of the Companies Act, 2013 and considering the age and the term the IDs have already served on the board, the board considered and recommended for appointment of ID for such terms as detailed in their respective appointment resolutions.

Apart from the existing members, the company proposes Smt. Sanjula Sanghai Women member of the board and non-executive director of the company who has given a declaration to the board that she meets the criteria of independence as provided under section 149 of the Act as well as Regulation 16 & other relevant Regulations of the SEBI (LODR) Regulations 2015 as ID. In the opinion of the board, the director fulfills the conditions specified in the Act and Rules made there under for appointment as IDs and she is independent of the management. The board recommends the appointment of her as independent director for such terms as specified in the resolutions as set out in item nos. 6 of the notice.

In compliance with the provisions of section 149 & 152 read with schedule IV of the Companies Act 2013 ((Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (LODR) Regulations 2015, the appointment of the director is being placed before the members for their approval.

None of the key managerial personnel and directors of the company other than the director who is to be appointed under the respective resolution and their relatives are concerned or interested in the resolutions set forth in Item No.6 of the notice.

The Board recommends the Special resolution set out at Item No.6 of the Notice for approval by the shareholders.

Item No.7:

The company has close to 11400 members and presently the Register of members are available at the Registered office as per the requirements of the Companies Act 2013. However this poses logistical problems to the company as the entire share transfer and other share related activities are carried out at the Registrars & Transfer Agents office and the same needs to be transferred to the registered office regularly to update. Accordingly the company had obtained approval from the shareholders in the 25th Annual general meeting held on 30/09/2016. However due to some compliance requirements, the same was delayed and consequently the amendment to the Companies Act 2013, vide companies Amendment Act 2017, the company decided to complete the process of shifting the members register and other related transfer & other records from Registered office to the Registrars & Transfer Agents office. Hence the resolution is proposed again to enable the Board of Directors of the company (which term shall be deemed to include any committee thereof), to keep and maintain the Register of members and share transfer registers and books at the R&T Agents office whomsoever may be assigned this job from time to time at whichever place they operate.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, in the resolution set out at Item No.7 of the Notice.

The Board recommends the Special resolution set out at Item No.7 of the Notice for approval by the shareholders.

Item No.8:

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 different Annual general meetings. Even though

the original resolution itself empowers the board to vary, alter or modify the terms, as a matter of abundant precaution as well as to avoid cascading effect on the plan because of regular modification from time to time through special resolutions, the board and board nominated committees shall be authorised finally to make all types of amendments, variations and alterations including cancellation or termination or suspension of the SUDITI ESOP 2011 temporarily or permanently subject to 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, and such other applicable rules provisions and enactments as may be including the provisions of any regulations/guidelines prescribed by the Securities and Exchange board of India (SEBI) and or the Reserve bank of India (RBI), or BSE Limited or such other exchanges as may be listed with in the future.

None of the Directors or Key Managerial Personnel of the Company (except Company Secretary and the Whole time Director till the date of induction to the Board) or their relatives other than the employees of the company including its subsidiaries, to the extent of their entitlements in the plan is in any way, concerned or interested, in the resolution set out at Item No.8 of the Notice.

The Board recommends the Special resolution set out at Item No.8 of the Notice for approval by the shareholders.

Item No.9:

The company has undertaken transaction with related parties as stated in the details provided below on "Arms Length" basis not detrimental to the interest of the company. The transaction executed so far are within the limits of the special resolution passed in the Extra Ordinary General Meeting held on 06/03/2018 by the shareholders. However since the group company M/s. Intime Knits Pvt. Ltd. and the joint venture company M/s. SAA & Suditi Retail Private Limited have enhanced their sales business activities, the existing threshold limits with related parties needs a further revision as the company would be undertaking supply of fabrics and finished garments at market rates or on "Arms Length" basis to the these companies also. Under section 188 of the Companies Act, 2013 (the Act), and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 sanction of the shareholders is required for enabling the Board of Directors to undertake related party transactions beyond a particular limit. Even though the transactions entered by the company are within the threshold limit of 10% of Annual gross turnover and the terms are at "Arms Length" basis, the company as a matter of abundant precaution seeks the approval of the members by way of special resolution granting permission to the Board to carry out the transactions which includes sale or purchase of goods and all types of materials including the services whether the same is directly related to the products purchased or sold by the company or not and beyond the threshold limit of 10% including those undertaken by the company so far. Further the resolution also empowers the company to undertake the transactions as specified above in respect of those related parties for which the approval of members are already obtained in the earlier General Meeting. The company now proposes to obtain the approval of the members for ratifying as also for giving approval to the Board of Directors or its duly constituted committee.



Sl. No	Name of the Related Party	Nature of Relationship	Nature of transaction	Value of transaction executed from April 17 to March 2018	Applicability Period sought in the Resolution
1	Intime Knits Pvt. Ltd.	Company in which Directors are Interested	Sale of products & services. Purchase of fabrics & services.	Sale of Goods = Rs.569.56 Lacs Purchase of Goods = Rs.2.88 Lacs	2018-19 to 2022-23
2	SAA & Suditi Retail Pvt. Ltd.	Joint Venture Company	Sale & Purchase of Fabrics & Finished Garments and related and other services	Sale of Goods = Rs.1.08 Lacs	2018-19 to 2022-23

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

None of the Directors or Key Managerial Personnel of the Company or their relatives, other than Shri. Pawan Agarwal and his promoter group of shareholders, is in any way, concerned or interested, in the resolution set out at Item No.9 of the Notice.

The Board recommends the Special resolution as set out at Item No.9 of the Notice for approval by the shareholders.

The members may please note that as per the listing regulations, the related parties as defined thereunder will need to abstain from voting on the resolution under Item No.9.

Item No.10:

Under section 180(1)(c) of the Companies Act, 2013 (the Act), sanction of the company is required for enabling the board of directors to borrow money in excess of paid-up share capital and free reserves of the company by way of a special resolution.

By a resolution passed at the annual general meeting held on 12th September, 2014, sanction was accorded by the members by way of a special resolution to the board of directors to borrow money over and above the aggregate of the paid-up share capital and free reserves of the company up to a limit of Rs.200 crores which is now revised to Rs.210 Crores..

Under section 180 of the Act, the above powers of the board are required to be exercised only with the consent of the company by a special resolution.

Hence, the resolution as set out in item no.10 is being sought, by way of a special resolution, pursuant to section 180(1)(c) of the Act seeking re-approval of the shareholders to authorize the directors to borrow in excess of the aggregate of the paid-up capital and free reserves up to a sum not exceeding Rs.210 crores.

The board recommends the resolution under item no.10 for approval of the members.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no.10 of the notice.

Item No.11:

As per the provisions of section 180(1) (a) of the Companies Act, 2013 (the Act), a company shall not sell, lease or otherwise dispose

of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the shareholders is obtained by way of a special resolution.

In connection with the loan/credit facilities to be availed by the company, as and when required, through various sources for business purposes, the company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favor of its lenders (up to the limits approved under section 180(1) (c) of the Act), for the purposes of securing the loan/credit facilities extended by them to the company. The company had obtained approval earlier from shareholders under section 180 (1) (a) of the companies Act 2013 for creation of charge over its assets in favor of lenders against the loans granted by them towards working capital as well as for capital projects in the Annual General Meeting held on 12th September, 2014 for an amount of Rs 200 crores which is now apart from ratifying the earlier actions whatever taken in this regard under this provision of the companies Act 2013 also shall stands revised to Rs.210 crores..

Accordingly, the board recommends the special resolution set forth in item no.11 of the notice for approval of the members.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no.11 of the notice.

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai
Dated : 08/08/2018

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

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SHAREHOLDER INSTRUCTIONS FOR E-VOTING VOTING THROUGH ELECTRONIC MEANS - INSTRUCTIONS									
<p>Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the Twenty Seventh Annual General Meeting to be held on Wednesday the 26th September, 2018 at 3.30 p.m. The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.</p> <p>The company has appointed Shri. Shiv Hari Jalan, Company Secretary as the scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 19th September, 2018.</p> <p>The instructions for shareholders voting electronically are as under:</p> <p>(i) The voting period begins on Sunday the 23rd September, 2018 (9.00 a.m. Indian Standard Time) and ends on Tuesday the 25th September, 2018 (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 19th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.</p> <p>(ii) The shareholders should log on to the e-voting website www.evotingindia.com.</p> <p>(iii) Click on Shareholders.</p> <p>(iv) Now Enter your User ID</p> <p style="margin-left: 20px;">a. For CDSL: 16 digits beneficiary ID,</p> <p style="margin-left: 20px;">b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,</p> <p style="margin-left: 20px;">c. Members holding shares in Physical Form should enter Folio Number registered with the Company.</p> <p>(v) Next enter the Image Verification as displayed and Click on Login.</p> <p>(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.</p> <p>(vii) If you are a first time user follow the steps given below:</p>	<table border="1"> <thead> <tr> <th colspan="2" style="text-align: center;">For Members holding shares in Demat Form and Physical Form</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">PAN</td> <td> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • 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. </td> </tr> <tr> <td style="vertical-align: top;">DOB</td> <td> <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> </td> </tr> <tr> <td style="vertical-align: top;">Dividend Bank Details</td> <td> <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • 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) </td> </tr> </tbody> </table> <p>(viii) After entering these details appropriately, click on "SUBMIT" tab.</p> <p>(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.</p>	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. 	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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. 								
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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Suditi Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 19th September, 2018.
- (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.

Twenty-Seventh Annual Report 2017 - 2018

DIRECTORS' REPORT:

Dear Shareholders,

The Directors have pleasure in presenting the Twenty Seventh Annual Report of the Company together with the Audited Balance Sheet as at 31st March, 2018 and the Profit and Loss Account for the year ended on that date.

Financial Results: (Standalone)

(Rs. in Lakhs)

Particulars	Current Year Ended 31.03.2018	Previous Year Ended 31.03.2017
Revenue from operations	9781.06	8156.12
Other Income	17.01	29.30
Gross income	9798.07	8185.42
Profit before Interest and Depreciation	927.90	838.05
Finance Cost	291.23	290.49
Profit after Finance Cost	636.67	547.56
Depreciation	150.57	178.91
Profit / (Loss) before Tax	486.10	368.65
Provision for Tax	157.59	144.02
Profit / (Loss) after Tax before extra ordinary items	328.51	224.63
Deferred Tax provision	(9.96)	13.58
Comprehensive income/Net of expenses	(2.50)	0.85
Net Profit	335.97	211.90
Add: Brought forward from the previous year	1264.14	1057.34
Adjustment on account of Ind AS requirements	(3.37)	(34.08)
Amount available for appropriation	1596.74	1235.16
Transfer to Securities Premium / ESOP	60.59	28.98
Less Dividend Paid	23.60	-
Less Tax Paid on Dividend	4.80	-
Balance carried to Balance Sheet	1628.93	1264.14

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 decided to continue their support and again in writing waived their entitlement on the profit distribution in the form of dividend if any declared by the company for the year 2017-18. Accordingly the Board after considering all these aspects has recommended a dividend for the year under review at the rate of Rs.0.20 per Equity Share only on the portion of the paid up equity capital held by the public as on the record date as may be announced by the board in this regard. However no amount has been transferred to General reserve from the profits for the year 2017-18.

Operations:

The company in spite of difficult economic conditions 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 20% in the sales figures and a substantial increase of around 32% in the net profits before tax in comparison to previous year. During the year the Retail division has made satisfactory progress in terms of growth in the sales and also brought down the operational losses in comparison to the

previous year. However the outlook of the Retail business is promising as the economic and market conditions is poised to stage significant growth in the current year. Overall the business sentiment was partially affected due to various factors particularly the implementation of GST from July 2017 since it is a new legislation and needs time to settle down with the procedures. Global economic conditions are also still remaining weak due to the factors like protectionist measures followed in different part of the world. The company had anticipated all these factors and taken all the necessary steps in advance to maintain the competitive position in the market. But in spite of these, the company had to absorb some amount of the losses generated by the Retail business activities. Further since the company is mainly 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 like YouWeCan and FC Barcelona as well as in the development of the marketing network in other formats.

The company has formulated various measures to strengthen the operations of the Retail division to make it a more competitive business. The company is focusing more on the Large Format Stores (LFS) and on line sales network. Further the efforts are underway to add more licentiate brand under the licentiate product segment. This will eventually help the Retail Division to improve their margins substantially. Finally during the year the company has discharged all its obligations under EPCG License issued to the company in the past and accordingly successfully redeemed all the pending EPCG Licenses.

Issue of Fully Convertible Debentures:

During the year the company in order to promote the brand of the company and its subsidiaries through advertisement in print and non-print media in a major way, had entered into an agreement with M/s. H.T. Media Ltd a big media group known as Hindustan Times group. The company has also executed Subscription agreement and Media agreement with M/s. H.T. Media Ltd. Accordingly the company has issued three numbers of Fully Convertible Debentures of Rs.1.50 crores each aggregating to Rs.4.50 crores to the M/s. H.T. Media Limited. Necessary approval was obtained from the shareholders in their Extra Ordinary General Meeting held on 6th March 2018. The company completed the allotment on 20th March 2018 and the BSE Ltd has issued "In Principle approval" for the same.

Amendment to the Articles of Association:

In order to issue Fully Convertible Debentures to M/s. H.T. Media Limited or any other securities in the future, the company has made necessary modification in the Articles of Association of the company. The modification was not a major one as the present clause 14(2) specifically mentions only "shares" instead of "Securities" which has a wider meaning and not restricted to shares only. Hence the same is suitably modified to include all other types of securities.

Export Sales:

During the year under review there was no exports sales reported by the company as the textile export market remained sluggish and the realizations were not attractive because of continued economic slowdown in almost all parts of the world. Apart from this, the unhealthy competition among the leading textile goods manufacturing countries continued to haunt the prospects for a healthy textile market and created a negative impact on the price segment of the textile items. Because of these factors, the company continued to remain focused maximum in the domestic market. However the company continued its efforts to draw the attention of fabric buyers from Bangladesh and other neighboring countries. The company is anticipating 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 is making best efforts to establish its identity with various reputed buyers to align with their brands in the overseas market to promote the exports in large volume.

In spite of the unfavorable trend in the global textile market, the company continues to take active participation in various international Fairs/exhibitions. Once the stability is brought in the global market, India can look forward to have a better market share than its competitors. Hence the company always looks forward to have better exports sales in terms of better unit value realization and volume. Besides this, the company has the capacity to make wide and better range of products particularly in printed and embroidery varieties and this will certainly help the company in the long run to increase the exports business both in volume and value.

Licentiate Rights:

The company has at present licentiate rights with FC Barcelona and Manchester City. The company has developed and produced wide range of garments under licentiate rights and the response from the market is very encouraging. 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. Based on the past experience and also taking into account the strengths and weakness of these business models, the company proposes as a well thought strategy to add more such licentiate arrangements. This will 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 affecting the growth momentum of the company. Further the association with "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh is also growing very well and various products developed during the last few months will certainly give a big boost to the company in the sales. The company is anticipating a good outcome from this venture in the next few years. The company is also developing other models on similar lines to promote the sales with better value addition.

Joint Venture:

The company has entered into a joint venture with another company M/s. Project Anushka Sharma Lifestyles Pvt. Ltd. a company promoted by celebrity actor Mrs. Anushka Sharma and her family. The object of the joint venture is to design, develop and manufacture of various ladies fashion and western type outfits which will be sold through various large retail format stores and on line stores. The company is incorporated on 19th September 2017 as a private limited company in the name of M/s. SAA & Suditi Retail Pvt. Ltd and the ownership of the company is on 50:50 partnerships where both the promoters contributed equally to the capital. The company commenced its sales business activities after the launch of its products on October 2017. The company has nominated two members on the board of the Joint venture Company and equal number of members is nominated by other company also. The company has achieved net sales of around Rs.3 crores with net loss from the business of Rs.34 lakhs. The financial results are

only for the part of the year operations and since the company is backed by celebrity actor, the company is not anticipating any difficulty in achieving the projected growth for the year 2018-19.

Expansion:

As indicated in the earlier years the management the company has not undertaken any new major capital projects during the year under review. Further, 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 also the company plans for some expansion and the same will be managed without any additional investment of capital nature.

Human Resources & Industrial Relations:

Human resources development plays a crucial role in the development of any organization. It consists of attraction, retention and development of talent in a systematic manner to fulfill the requirements of the organization. The company follows various programs to 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 shareholders had approved the special resolution to raise the Authorised capital from Rs.18 crores to Rs.25 crores. Accordingly the company has completed the compliance process and the authorised capital of the company stands today at Rs.25 crores. Further during the current year, the company has issued 218790 shares to employees under SUDITI ESOP PLAN 2011 in the month of April 2018 and accordingly the subscribed, issued and paid-up capital has increased from Rs.16.67 Crores to Rs.16.98 Crores. Apart from this, during the year under review, the company has also issued Fully Convertible Debentures which will be converted into equity shares at a later date.

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 no. of 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 as may be decided by the board/committee at the time of allotment. The entire parts of the earlier grant has been vested till the date of 31st March 2018 barring 9600 options. The revised details are as follows:

Grant no.	Granted		Accepted		Rejected		Vested	Exercised	Lapsed	Balance	
	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)	No of Employees	Total options (Nos.)				Up to the Fourth part of Grant	vested
First	83	350800	20	253200	63	97600	133670	88930	47985	106685	9600
Second	20	13000	20	13000	0	0	0	0	0	13000	0
Silver Jubilee	38	111605	38	111605	0	0	0	0	0	111605	0

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The disclosure of the details is as follows:-

- (a) Options granted & accepted: 377805
- (b) The pricing formula: At par
- (c) Options vested: 231290
- (d) Options exercised: During the year under review, no employees have exercised their options under the SUDITI ESOP PLAN 2011.
- (e) As there are no options exercised during the year under review no shares were allotted.
- (f) Options rejected and lapsed: 145585 (consists of 97600 options rejected and 47985 options lapsed)
- (g) Variation of terms of options: NA
- (h) Money realized by exercise of options: Nil
- (i) Total number of options in force: 240890
 - (j) Employee wise details of options granted to (Excluding the options already exercised):
 - (i) Senior managerial personnel: 178575 (includes 34250 options granted to Company Secretary & V.P. (F) and no Director is granted any options under Suditi ESOP Plan 2011).
 - (ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year: Nil
 - (iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant: Nil
- (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.1.91.
- (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.69,83,735/- and accordingly on proforma basis the company's basic and diluted earnings would have been Rs.1.59 and Rs.1.51 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: 7.42%
 - (ii) Expected life: 3 years
 - (iii) Expected volatility: 3.15%
 - (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 seven 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 2018-19. 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/whole time 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. Further joint venture company M/s. SAA & Suditi Retail Pvt Ltd. has also commenced its commercial business activities during the year under review. 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 49). 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 also taking into account of the performance of the joint venture company. 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)	SAA & Suditi Retail Pvt. Ltd.	Consolidated
Sales	9781.06	685.40	-	306.39	10383.97*
Profit	335.97	(17.64)	(0.49)	(34.17)	283.67**

* Consolidated sales figures are arrived net of Inter Company & Joint Venture company sales.

** The Consolidated profit figures 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 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; Chairman & Managing Director Shri. Pawan Agarwal retires by rotation in the forthcoming Annual General Meeting and being eligible offer himself for reappointment. During the year the company has inducted Shri. Rajagopal Raja Chinraj as additional Director and also appointed him as Wholetime Director subject to the approval of the members in the forthcoming 27th. Annual General Meeting and special resolution to this effect is proposed in the Notice calling 27th. Annual General Meeting. In order to maintain the composition of the Board, the company has proposed the appointment of Smt. Sanjula Sanghai as an independent director and the resolution to this effect is included in the notice calling the 27th. Annual General Meeting. Further the company would be inducting a Chief Financial Officer (CFO) internally at the appropriate time from the existing available resources to take over the functions of CFO which is now held by the Chairman & Managing Director.

Directors' Responsibility Statement:

The Directors hereby confirm: -

- That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 of the Company for that period;
- 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;
- That the Directors have prepared the annual accounts on a 'going concern' basis;
- 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;
- That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively;

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 2017-18.

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.

Auditors:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, M/s. Chaturvedi & Partners, Chartered Accountants, were appointed as statutory auditors of the Company for a period of 5 years from the conclusion of the Twenty Sixth Annual General Meeting to till the conclusion of the Thirty First Annual General Meeting, subject to ratification of their appointment at every Annual General Meeting. Accordingly necessary resolution to this effect is proposed in the notice calling 27th. Annual General Meeting for the approval of the members which otherwise is not mandatory in view of the amendments to the Companies Act 2013.

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.

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Internal Audit & Controls:

The Company had 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. The term of the present Internal Auditors expired after the close of the financial year 2017-18.

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 issue of 218790 equity shares by the Board on exercise of options by the Employees under SUDITI ESOP 2011.

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 internal control mechanism to ensure that the financial statements prepared are true, fair and transparent. The company has an internal audit mechanism 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 had 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 14/03/16	Suditi Design ----- do -----	4 lakhs 82 Lakhs	Business activity Development of Business activity	16/01/2015 11/02/2016	NA NA	10%
3	05/10/17	SAA & SUDITI Retail Pvt. Ltd.	5 lakhs	Business activities	05/10/2017	NA	10%

Particulars of contracts or arrangements with related parties:

The particulars of contract or arrangements entered into by the Company with related parties at arm's length basis referred to in sub-section (1) of section 188 of the Companies Act, 2013 is disclosed in Form No. AOC-2 as **Annexure IV**

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

The company has 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 2018-2019 to the Bombay Stock Exchange Limited where the Company's Shares are listed. Further the proposal to list the securities of the company with National Stock Exchange Ltd will be undertaken at the appropriate time later.

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: 08.08.2018

PAWAN AGARWAL
CHAIRMAN & MANAGING DIRECTOR



Annexure I

Information under Section 134 (3)(m) of the Companies Act, 2013 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules and forming Part of the Directors Report for the year ended 31st March 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 measures plays a significant and crucial role in the development of any country. The company monitors and follows all the energy conservation measures practiced in the industry and takes all possible steps to implement them in the manufacturing units of the company. Further the company also takes active part in the environmental improvement plan and towards this extend the company has all the 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 measures taken in the previous years are followed: 1) Installation of Auto Dosing controllers. 2) Replacement of old machines with energy saving machines. 3) 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 evaluating various options of installing the equipments for 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. The company continues to monitor the new developments and efforts are made to absorb considering cost benefit analysis.
(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 (2017-18)	Previous Year (2016-17)
Total Foreign Exchange used	9.57	28.99
Total Foreign Exchange earned (FOB Value)	-	3.61

For and on behalf of the Board of Directors

Place: Mumbai

PAWAN AGARWAL

Date: 08.08.2018

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 in order to satisfy the stakeholders aspirations (shareholders, employees, customers, suppliers, government and community) by duly 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 by 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 Acts, 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 and Wholetime Director)	2
Total	5

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. During the year the company has inducted Shri. Rajagopal Raja Chinraj as additional Director and also appointed him as Wholetime Director subject to the approval of the members in the Annual General Meeting. After the induction of the additional Director to the board, in order to maintain the composition of the Board, the company has proposed the appointment of Smt. Sanjula Sanghai as an independent director and the resolution to this effect is included in the notice calling the 27th Annual General Meeting. 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.

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Name of the Director	Date of Appointment	Executive or Non-Executive	Independent	Total No. of Directorships (including SIL)	No. of other outside Committee	
					Membership	Chairperson
Shri Pawan Agarwal	12/09/1991	Executive	No	8	--	--
Shri Sushil Kumar Kasliwal	16/06/2003	Non-Executive	Yes	2	--	--
Shri Vivek Gangwal	16/06/2003	Non-Executive	Yes	3	--	--
Smt Sanjula Sanghai (Women Director)	31/03/2015	Non-Executive	No	8	--	--
Shri. Rajagopal Raja Chinraj	01/06/2018	Executive	No	2	-	-

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

Responsibilities and role of Independent Directors:

The 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 continue to 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.

Seven Board Meetings were held during the year from 1st April 2017 to 31st March 2018. Leave of absence was granted by the Board to the Directors who were absent at the respective board meeting.

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
29/05/2017	4	4
09/08/2017	4	3
13/09/2017	4	4
14/11/2017	4	3
25/01/2018	4	3
08/02/2018	4	3
20/03/2018	4	4

Name of Director	Attendance at the Board Meetings held on							Attendance at the AGM held on 29 th September 2017	
	29/05/2017	09/08/2017	13/09/2017	14/11/2017	25/01/2018	08/02/2018	20/03/2018		
Shri Pawan Agarwal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Shri Sushilkumar Kasliwal	Yes	Yes	Yes	No	No	No	Yes	Yes	
Shri Vivek Gangwal	Yes	No	Yes	Yes	Yes	Yes	Yes	No	
Smt. Sanjula Sanghai	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Shri. Rajagopal Raja Chinraj	Inducted w.e.f. 01/06/2018 in the Board Meeting held on 30/05/2018								

Details of Directors being appointed/re-appointed:

Further during the current year the company has inducted Shri. Rajagopal Raja Chinraj as additional director to hold office up to the date of this Annual General Meeting. Being eligible the board has proposed the resolution appointing him as director on the Board. Further the board has also appointed him as Wholetime Director and the resolution to appoint him as Wholetime Director is also added in the Notice calling the 27th Annual General Meeting. Further Shri. Pawan Agarwal Chairman & Managing Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. In order to comply with the requirements in respect of the composition of the Board, the resolution proposing the appointment of Smt.Sanjula Sanghai as an independent director is included in the notice calling

the 27th 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.

Name of Director	Category	Attendance at the Committee Meetings held on			
		29/05/2017	13/09/2017	14/11/2017	08/02/2018
Shri. Vivek Gangwal	Non-Executive	Yes	Yes	Yes	Yes
Shri. Sushilkumar Kasliwal	Non-Executive	Yes	Yes	Yes	Yes
Shri. Pawan Agarwal	Executive	Yes	Yes	Yes	No

The Minutes of the Audit Committee Meetings were noted at the Board Meetings. The Chairman of the Audit Committee authorised Shri. Sushilkumar Kasliwal to represent him as the Chairman was not present at the 26th. Annual General Meeting held on 29th September 2017.

Nomination & Remuneration Committee:

The Nomination & Remuneration committee (Referred as Remuneration Committee) is constituted with three non executive 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 27th September 2017. The Committee had reviewed the terms of the re-appointment and the elements of remuneration payable to the Chairman & Managing Director and accordingly recommended to the Board to maintain the same levels till the next review.

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

Remuneration Policy:

The compensation policy followed in the company is reviewed from time to time in order to ensure 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 2018 is given below:

Name of the Director	Salary	Perquisites & Other benefits	Sitting Fees	Reimbursement of expenses	Total
1. Shri Pawan Agarwal	2100000	521424	-	-	2621424
2. Shri Sushilkumar Kasliwal	-	-	6000	3000	9000
3. Shri Vivek Gangwal	-	-	9000	5000	14000
4. Smt. Sanjula Sanghai	-	-	10500	5500	16000

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 met once during the year under review on 20th March 2018. All the directors recorded their presence and the committee reviewed 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

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Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend etc. The committee also reviews the process, standard operating procedures, and initiatives taken by the Company relating to investor services. The committee ensures that all transfer/transmission/split/ consolidation etc are promptly attended and completed within the stipulated time period.

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

Meetings were held on 10/04/2017, 24/04/2017, 17/05/2017, 25/05/2017, 02/06/2017, 22/06/2017, 27/06/2017, 14/07/2017, 18/08/2017, 28/08/2017, 04/09/2017, 15/09/2017, 06/10/2017, 01/12/2017, 13/12/2017, 26/12/2017, 01/01/2018, 09/01/2018, 22/01/2018, 12/02/2018, 26/02/2018 & 26/03/2018.

Name	No. of Meetings attended During the year	Attended all the Meeting
Shri Sushilkumar Kasliwal	22	Yes
Shri Vivek Gangwal	21	No
Shri Pawan Agarwal	21	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 as on the date of this Report.

Number of Investor complaints pending at the beginning of the year 01/04/2017 : Nil
 Received during the year : 5
 Disposed during the year : 4
 Remaining unresolved at the end of the year 31/03/2018 : 1
 Number not solved to the satisfaction of shareholders : Nil

Independent Directors' Meeting:

During the year under review, the Independent Directors met on September 27, 2017, 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 the 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 –

(1) 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.

Shri. Pawan Agarwal

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

(2) WHOLE TIME DIRECTOR:

Shri. Rajagopal Raja Chinraj

Period of Appointment	5 years
Period of Appointment	5 years
Salary Grade	Rs.155000/- P.M
Allowances	Reimbursement of conveyance expenses
Perquisites	As per Resolution
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	3 months notice
Other	Board authorized to increase the same by maximum 15% in a year

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 beyond a specified limit 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
26 th	2016-17	September 29, 2017 at 11.30 a.m.	Walchand Hirachand Hall, 4 th floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust, (IMC Bldg.), Churchgate, Mumbai - 400 020.
25 th	2015-16	September 30, 2016 at 3.30 p.m.	
24 th	2014-15	September 29, 2015 at 3.30 p.m.	

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

There were two special Resolutions passed in the 26th. Annual General Meeting apart from another Ordinary Resolution passed under special business. Further 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 24th. Annual General Meeting. Except these resolutions, no other Special Resolutions were passed at the last three Annual General Meetings. In addition to this the company held an Extra Ordinary General Meeting on 6th. March 2018 in order to enable the company to issue Fully Convertible debentures. In the Extra Ordinary General Meeting apart from the issue of Fully Convertible Debentures, the company had also proposed and passed the Amendment to the Articles of Association and modification to the earlier special resolution passed by the shareholders in respect of Related Party Transaction.

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

2016-17:

- 1) Approval of the Shareholders, vide special resolution for amendment to the clause V of Memorandum of Association.
- 2) Approval of the Shareholders, vide special resolution for modification in the Suditi ESOP Plan 2011.

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.

- c) Passing of Special Resolutions by Postal Ballot:

The company held an Extra Ordinary General Meetings on 6th March 2018. Other than this there are no Extra Ordinary General meeting 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 follows a proper and regular system of communication with the Shareholders. The Chairman's Statement and Annual Report which inter-alia includes the Directors Report, the Report of the Board of Directors on Corporate Governance, Management Discussion, and Analysis Report, and the Audited financial results are used as the most 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 used as 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, E-voting 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 company maintains a website for the benefit of all the stakeholders where the company displays all the major notices and other relevant corporate information like management policies, code of conduct as well as unpaid dividend details.

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 27th 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) During the year the company has prepared all the financial statements as per the requirement of Ind AS. Accordingly the previous year's financial figures and other details are

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restated in order to make them comparable with year to year details. However other than this 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 as per Ind As requirements have been set out in the "Notes to the Financial Statements".

- 3) The familiarization program followed for independent Directors are generally an informal one. 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 given 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. The company has inducted another technocrat Shri. Rajagopal Raja Chinraj to the Board as Wholtime Director.
- 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 structures 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 a continuous process in any Organization. The Company has a simple risk management policy 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, 2018 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 27/09/2017
Shri. Pawan Agarwal	Chairman & Managing Director	Present
Shri. Vivek Ganagwal	Director	Present
Shri. Sushilkumar Kasliwal	Director	Present
Shri. R. Chinraj	Director	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, 2018 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 in violation 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 2018.
- 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 2018, as approved by the Board.

SUDITI INDUSTRIES LIMITED

Place: Mumbai
Date: 08.08.2018

PAWANAGARWAL
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 containing the performance and outlook including the future prospects for the Company is presented herewith.

Overview:

It was again a satisfactory year for the company in terms of growth in the sales business and profit levels in comparison with the previous year in spite of various turning events in the economy like implementation of Goods and Services Tax (GST). The retail business had difficult period on account of poor market conditions and the global situation was also not very attractive for the company. Barring the exports the company could manage its operational

cycle without making any major adverse impact on the performance. Even the country's GDP growth has also 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%. The major reason for this is satisfactory progress in the domestic demand and still it remains bullish.

The economic outlook of the Indian economy looks positive with the country expected to grow at more than 7.5% in FY18 before moving past the 8% trajectory in FY19. Certain threats, however, prevail in terms of upside risk to inflation, increasing global commodity prices especially crude oil prices, slower growth in investment and credit, rising bad loans issue and uncertain trade prospects with appreciating dollar currency and uncertain global economic conditions. Globally, protectionism adopted by the US and higher interest rates by the Fed, revival in European countries and higher growth in China causing diversion of funds from India could counter the prospective growth story of the country, going ahead. However as per World Bank reports, 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.486.10 lakhs before tax in comparison to Rs.368.65 lakhs pertaining to corresponding previous year. There is substantial improvement in the profit levels due to increase in the sales turnover by 20% in comparison to previous year. However the retail business is again not on anticipated line due to sudden slump for some period in the market due to certain developments like GST in the country. Now these conditions have settled and the economic and market conditions are now completely stabilized. Unfazed by all these developments, the company continued to push the sales in the domestic market aggressively and the measures taken towards this direction, to improve the operational viability of the Retail division of the company have started giving encouraging results. In this context the company focused mainly to expand the market base by focusing on online sales, LFS and MBO instead of setting up own stores. During the year the company has increased the sales of products manufactured by using the licentiate rights acquired from FC Barcelona significantly than other licentiate rights like Manchester City. Further the company is aggressively pursuing the sales plan for its products manufactured under YWC label for "YouWeCan" backed by celebrity cricketer Mr. Yuvraj Singh. The company is hopeful of achieving significant growth in the sales business under this label in the current year.

Overall the performance of the subsidiaries is not very encouraging due to uncertain market conditions. While one of the subsidiaries M/S. Suditi Design Studio Limited has not shown any 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 of this subsidiary is expected to commence after some time 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 both pending EPCG license and resolved the issue which otherwise the liability was shown under contingent liability. 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.0.20 per equity share of Rs.10 each to be paid only to the

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shareholders (under public category) other than promoters and the persons acting in concert with them.

Opportunities & Threats:

The fundamental strength of Indian textile industry is its strong production base with wide range of fibers/yarns. These are natural fibers such as cotton, jute, silk and wool and synthetic/man-made fibers like polyester, viscose, nylon and acrylic. In producer-driven value chains, large, usually transnational, manufacturers play the central roles in coordinating production networks. Textile industry is capital- and technology-intensive comparable with automobiles, aircraft, computers, semiconductors and heavy machinery industry. Buyer-driven value chains are those in which large retailers, marketers and branded manufacturers play the pivotal roles in setting up decentralized production networks in a variety of exporting countries, typically located in developing countries. This pattern of trade-led industrialization has become common in labor intensive, consumer-goods industries such as garments, footwear, toys, handicrafts and consumer electronics. Large manufacturers control the producer-driven value chains at the point of production, while marketers and merchandisers exercise the main leverage in buyer-driven value chains at the design and retail stages. Apparel is an ideal industry for examining the dynamics of buyer-driven value chains. The relative ease of setting up clothing companies, coupled with the prevalence of developed-country protectionism in this sector, has led to an unparalleled diversity of garment exporters in the third world. The global apparel market size is expected to reach US \$2.6 trillion in 2025 growing by a projected rate of 4%. The major growth drivers of the global apparel market will be the developing economies, mainly China and India, both growing in double digits. China will become the biggest apparel market adding more than US \$378 bn. in market size by 2025, while India will be the second most attractive apparel market adding around US \$121 bn. by 2025. A large and growing domestic demand coupled with increasing spending power of people in these two countries will result in the combined addition of around US \$500 bn. in the global apparel market size by 2025. The combined apparel market size of China and India i.e. US \$795 bn. is expected to exceed combined market size of EU and USA i.e. US \$775 bn, by 2025. India is one of the fastest growing economies with the GDP growth of 7.2 percent in the last quarter of 2017-18. This growth also boosts the purchasing power and propels the demand for the textile products. India has a share of approximately 5% of the global textile and apparel trade.

The growth of Indian E-Commerce companies provides opportunities for the Indian textile industry in the domestic as well as international market. Amazon, Flipkart, Jabong and Myntra are the major players in the Indian E-Commerce Industry. India's e-commerce market picked up sharply in the second half of 2017 after nearly 18 months, driven by strong growth at Flipkart and Amazon India and new entrant Paytm E-commerce. Online retail grew by 23 per cent to \$17.8 billion in 2017, up from \$14.5 billion in gross merchandise value (GMV) last year. The expansion of online retail is expected to accelerate this year, with the market projected to increase by as much as 60 per cent to \$28-30 billion in GMV, which refers to the value of goods sold on a site after discounts. The primary factor behind the bullish estimate is that the firm expects the number of new online shoppers to increase significantly after two years of near-stagnation in contrast to 2016 and 2017, when most growth was because of existing users. Even the non-sale months in the second half of 2017 were much higher than the first, and therefore, there are enough signs that the market should see very high growth next year.

Further there is big scope for the development of product under licentiate rights of big brands, reputed globally known sports clubs, sports events and festivals. Added to this now a days there are many celebrities who are very 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 Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries. The changing government policies at the state and central government levels are also posing major challenges to the textile industry. The tax structure GST (Goods and Service Tax) makes the garments expensive. Another important threat is raising interest rates and labor wages and workers' salaries. There is higher level of attrition in the garment industry. Although central government is wooing the foreign investors the investment is not coming at the anticipated speed in the textile industry. The Indian textile industry has its own limitations such as accesses to latest technology and failures to meet global standards in the highly competitive export market. There is fierce competition from China, Bangladesh and Sri Lanka in the low price garment market. In the global market tariff and non-tariff barriers coupled with quota is posing major challenge to the Indian textile Industry. The environmental and social issues like child labor and personal safety norms are also some of the challenges for the textile industry in India. The Indian textile industry requires support from both the Central and State governments to become competitive in the Global market. The Skill India and Make-in India programs of Central government are helping the industry in getting required skilled manpower and good market for textile products to some extent. Now it is high time for the textile industry to upgrade their technology and implement ERP to streamline supply chain and enhance customer relations management activities. These measures are enabling the industry in becoming competitive in the global market.

The company observes all these factors closely and assesses constantly 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 ensures that there is synergy between the product range, the cost of production and the selling price. The company continues to develop new range of products from season to season 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 the last more than two decades, it is now well placed to take substantial advantage of this opportunity in the global textile market as well as in the local market.

Industry Structure & Development:

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13 per cent of total exports. The textile industry is also labor intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organized sector consisting of spinning, apparel and garments segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 45 million people directly and 20 million people indirectly. India's overall textile exports during FY 2017-18 stood at around US\$ 40 billion missing the US\$45 Billion target. The Indian textiles industry is extremely varied, with the hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of



the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

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. 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. There is continuous development of technology at all levels of these activities aiming at reduced labour intensity and quicker delivery. 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. 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. 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. 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 all the stages of production to retailing. 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).

Organized retailing in India currently stands at only 8% of the overall retail market of US\$ 550 bn. Within this, apparel is the single largest category with a share of ~ 35%. The vast population base and growing economy has caused global retailers and brands to actively seek Indian market participation, either on their own, or in partnership with a local player. With Zara being a run out success since its launch in 2010 and Uniqlo expected to enter soon; apparel retail scenario is definitely heating-up in India. In 2015 itself, India saw entry of three prominent international brands – H&M, Gap and

Aeropostale. H&M opened its store in October 2015 and registered sales of about US\$ 275,000 on the inaugural day. Aeropostale opened its first store in November 2015 and witnessed a footfall of 35,000 people in first 10 days. Gap after opening its first store in May 2015 has opened more stores in India. Government's recent decision to provide certain relaxation in norms for FDI in retail will further support the market growth. Beyond the increasing income of Indian consumers that is making them buy more, and better; the market growth will be led by following important drivers:

1. Demographic dividend: India has the largest Gen Y population in the world. The median age in India is 27 years compared to 37.6 years in the United States. Almost half of the Indian population is under 25 years and as this population joins the workforce, gets more money in their hands, their spending power will increase. Apparel category will be the prime beneficiary of this increase in purchasing power.
2. Aspirational buying: A key factor for growing consumption is the attitude shift amongst the Indian consumers. Their buying habits are shifting from need-based purchase to aspiration-based purchase and the "guilt" related to spending which was inherent in consumers of yesteryears has suddenly vanished. Further, the consumer's product choice is becoming increasingly biased towards brands, especially in fashion segment. Indian are now shifting from traditional to modern "branded" experiences. Today consumers in even tier-II, tier-III and tier-IV cities are spending much more on apparel than they did a decade ago.
3. Rurbanization and urbanization: On one hand masses are moving from rural to urban India looking for jobs, while on the other hand rural areas are being infused with urban patterns and services (Rurbanization) and cities are engulfing villages as they expand. In 2011, 31% of India's population was urban, up from ~28% in 2001. By 2025, 36% of the population is expected to be urban. Between 2001 and 2011, 32% urban growth was due to reclassification of towns and expansion of urban areas, leading to explosive growth in farmland prices and rise of the "correlate" villagers. Rurbanization and Urbanization are putting more money in the hands of people and are creating new aspirations and new demand which when supported by better availability will have a major growth impact on apparel consumption.
4. Growth in online retail sales: Online retailing in India has emerged strongly over the past few years on account of the digital revolution taking place in the country. India is expected to become the world's fastest growing e-commerce market on the back of robust investment activity in the sector and the rapid increase in internet users. The major reasons for this growth are increasing penetration of technology in tier-II, tier-III and tier-IV cities, increased use of mobile internet, need for ease of shopping, heavy discounts offered by online portals, and better payment and return policies. In India, internet penetration currently at 19% is at the cusp of an exponential growth. 250 million people are currently connected to the internet in India and this number is expected to reach 700 million by 2025.

The Company is conscious of all these fast moving developments and changes in the structure and the business styles in the industry. The company operates with necessary flexibility to adapt to these changes. The company has examined the methods followed in the Retail marketing and accordingly adjusted its marketing strategy in a very short span of time. The company is now in the process of expansion of the Retail business through franchisee models instead of spending money on new own outlets. Apart from this the company plays very important part in the online marketing platform as well as social networking sites. The company has specialized in the manufacture and sale of apparels attached with some sports event and sports promotion campaigns and clubs. Accordingly the subsidiary companies are also 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.

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Performance:

Overall there is reasonable growth in the sales as also in profits in comparison to the last year. However overall performance could have been even much better had there been significant improvement in the performance of the Retail division as it is not as per the anticipated levels. The company had not anticipated any major 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)

	2017-18	2016-17	Percentage Change
Local Sales	9781.06	8152.51	19.98
Export Sales	0	3.61	0
Other Income	17.01	29.30	(41.95)
Total:	9798.07	8185.42	19.70

The Company continues to improvise the measures taken earlier to improve the business of Retail division. However certain developments in the Indian economy have an adverse impact on the growth of the retail section. The focus is now more on sales through LFS and the online platforms. The company however could push through into deeper market segments to cover broader areas of the market to widen the sales of apparels manufactured under licentiate arrangements and also in alignment with sports personalities. Further, the Company has managed its borrowings prudently that the incident of finance cost has not increased in comparison to sales. Because of all these developments, the company is expecting substantial improvement in the profitability as well as in the sales for the current year 2018-19.

Earnings per share:

The Company's earnings per share for 2017-18 are Rs.2.00 as against Rs.1.26 per share during 2016-17.

Investments:

The Company continues to hold investment of 2880 Nos. of equity shares of IDBI Bank Ltd., in the Demat form. Further during the company has invested Rs.5 Lakhs (comprising 5000 shares (@ face value of Rs.10/- each) equaling to 50% of the Paid up capital in the Joint venture company M/s SAA & Suditi Retail Pvt.Ltd. In addition to this the company had 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 2018 is 1.37.

Human Resources:

Human resources plays very important role in the growth of any organization. The company lays great emphasis on this aspect and accordingly certain schemes are followed like productivity based incentive scheme, in-house training and orientation program to improve the productivity in the company. There is a 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:

Risk is defined as calculation forecast emergence of negative events (hazards) that cause loss or calculation forecast emergence of positive events (opportunities/chances), which bring us benefits. Risk is a condition in which there is a possibility of negative

deviations from the desired outcomes that we expect or hope will happen. In terms of business, risk is an unfulfillment of desired business objectives and it must include threats and opportunities from the environment that can potentially contribute to the growth and development of the company, but prevent development, and thus endanger the very survival of a company. The risk, in the broadest sense, is a particular danger, uncertainty, loss, or the uncertain future event that may have unintended consequences. The concept of risk comprises three elements. The perception that something might happen is risk and the Probability that something happens becomes an issue and finally the consequences of what might happen becomes incident. Risk consequences on the planned garment production are 1) Exceeding the framework of the assessment of production costs, 2) Exceeding the requested date of making 3) Not acquiring the quality of clothing. Tracking disorders and disturbances in production, their systematization and statistical methods can lead to the sizes which belong to risk and can be included in the calculation. The risk may appear: Because of placement of low bids in the market and in production compared to the size of the series that is produced.

It is necessary to do SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis in order to get marketing weapon and overcome all existing problems, which means to take all advantages and eliminate weaknesses of the company. It is possible to point out solutions and consequences, as well as to show how a fashion industry should get better with the help of this analysis. Internal estimate as well as analysis of strengths and weaknesses in garment manufacturer refers to factors that can be controlled within the organization. That concerns not only material expenses and technical technological equipment but the reputation of the firm and existing brand, innovative activities of designers' team and marketing service. While doing an internal estimate there are hindered factors such as subjectivity, lack of trust, running away from reality. Weaknesses cannot often be overcome in a short period of time.

External estimate implies those possibilities and dangers that will have a main influence on business results of a textile firm. New fashion trends, i.e. new designs that should be accepted, should also bring new results. The problem which exists in garment industry is that we analyze and follow trends that have already taken place on the fashion scene so while a collection is being accepted and the preparation for production is getting completed, a new fashion demand is here, and the old one hasn't been accustomed to yet. External estimate deals with advantages and dangers connected with a market, technology, scientific-technological development, changes in micro and macro environment, economy, ecology.

There comes the case when one textile firm, depending on its ability to follow fashion trend "blindly", sees the production of the very up to-date design as advantage, whereas the other textile firm that has e.g. classical brand in clothing sees the same fashion trend and a new design as danger. Within a fashion company, paying special attention to the problems of designing a new product, it is necessary to observe within internal estimate first of all skills, training, attitude of marketing team, fashion designer and technologist and then the production management structure of the company itself, current systems (CAD/ CAM systems), relations and communications among people. In order to manufacture an adequate product real expenses must be estimated especially textile fabrics and quality of manufacturing garments, in order to lengthen a life cycle of a fashion product and not to neglect technical-technological capacities of the firm. Garment manufacturers who do not invest in the development of products and production technology get into danger and can't "keep pace" with fashion trend although they try hard. 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, and there is a constant demand for rising wages for workers. Since the labour force in our country has low productivity in comparison to other competing countries and there is a need to upgrade the skill. Cost of power, poor infrastructure is a big concern to the garment manufacturers in the country. India lacks in trade pact memberships, which leads to restricted access to the major markets and make the industry uncompetitive sometimes. The Indian retail market is still underdeveloped. The unhealthy competition and poor infrastructure facilities are other major concern for the industry to restrict its growth.

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 has 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 timely 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. Apart from this the team monitors all these developments which have bearing on the company's goals and adequate steps are taken to ensure that maximum level of safety coverage is provided to the company against these risks.

Internal Controls & Systems:

The company follows an effective internal control and systems and accordingly reviews all the functions and procedures followed in the company. There is constant evaluation of the Internal Controls Systems and procedures 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 future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as 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 like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market. The domestic market for apparel and lifestyle products, currently estimated at US\$ 85 billion, is expected to reach US\$ 160 billion by 2025. The Indian cotton textile industry is expected to showcase a stable growth in FY2018-19, supported by stable input prices, healthy capacity utilization and steady domestic demand. Urbanization coupled with changing trends in fashion is likely to keep the industry rolling. The industry looks promising with strong domestic consumption and rising exports. The government has also promised to double the exports and has signed bilateral agreements with countries like Africa and Australia.

The company takes this positive development to its stride and plans to boost the sales in a big way. 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: 08.08.2018

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

Annual General Meeting:

27th A.G.M.

Date and Time:

26th September, 2018 – 3.30 p.m.

Venue:

Babasaheb Dahanukar Sabhagriha,
Maharashtra Chamber of Commerce,
Industry & Agriculture,
Oricon House, 6th Floor,
12, K Dubhash Marg,
Fort, Mumbai – 400 001.

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 during the year under review were held on the following dates:

Quarter	Date of Board Meeting
1 st Quarter	13/09/2017
2 nd Quarter	14/11/2017
3 rd Quarter	08/02/2018
4 th Quarter	30/05/2018

Date of Book closure:

20.09.2018 to 26.09.2018 (both days inclusive)

Dividend payment:

Rs.0.20 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 BSE LTD (Bombay Stock Exchange Ltd).

Listing fees:

The Annual Listing fee for the financial year 2017-18 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 regularly. Further amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 with respect to mandatory dematerialisation of transfer of securities vide Gazette notification dt.08/06/2018 has mandated that transfer of securities would be carried out in dematerialised form only. Accordingly with effect from 05/12/2018 shares which are lodged for transfer shall be in dematerialised form only and accordingly shareholders who are holding the shares in physical form are advised to dematerialise 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, 2018 is given below:

Particulars	No. of Shares	Percentage
Physical Segment	1314860	7.84%
Demat Segment		
NSDL	14180561	84.59%
CDSL	1267812	7.56%
Total	16763233	100.00%

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.

SUDITI INDUSTRIES LTD



Sharex Dynamic (I) Pvt. Ltd. indicating that there are no complaints pending against the Company as on the date of this report.

Unclaimed Dividend:

Unclaimed dividend (not due for transfer to IEPF) as on 31st March, 2018 is Rs.27,13,842/-. However there is no unclaimed Dividend account due and pending for transfer to IEPF.

Market Price Data:

Source (Website – bseindia.com)

The Stock Exchange, Mumbai.

Month	Low (Rs.)	High (Rs.)	Monthly Volume
April, 2017	67.90	86.50	1,78,341
May, 2017	65.10	83.00	95,783
June, 2017	62.30	79.50	65,283
July, 2017	70.05	82.95	1,32,543
August, 2017	67.50	83.50	5,26,123
September, 2017	66.10	82.90	7,00,305
October, 2017	65.05	75.60	2,42,682
November, 2017	70.00	79.00	1,85,051
December, 2017	68.00	74.50	1,53,285
January, 2018	70.05	114.90	17,48,017
February, 2018	68.00	89.95	1,69,539
March, 2018	58.90	72.95	1,28,710

Stock Code:

Bombay Stock Exchange Ltd. (521113)

The ISIN Number is:

INE691D01012 (NSDL & CDSL)

Share Transfer Agent:

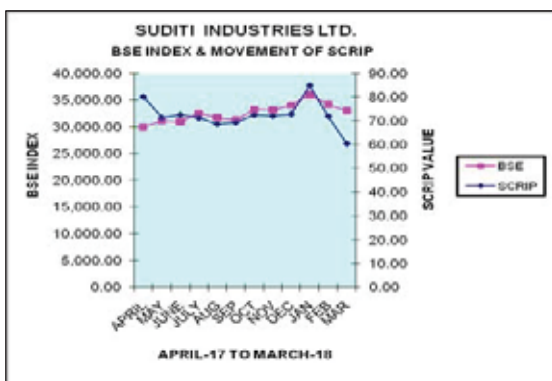
M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai – 400 072.

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 27th 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, 2018:

Category From To	No. of Cases	% of cases	Amount	% of Amount
Upto 5000	10600	93.37	14085450.00	8.40
5001 - 10000	375	3.30	3055570.00	1.82
10001 - 20000	155	1.37	2389140.00	1.43
20001 - 30000	79	0.70	2007650.00	1.20
30001 - 40000	35	0.31	1208390.00	0.72
40001 - 50000	18	0.16	849890.00	0.51
50001 - 100000	39	0.31	2863410.00	1.71
100001 and above	52	0.46	141172830.00	84.22
Total:	11353	100.00	167632330.00	100.00
Physical Mode	7747	68.24	13148600.00	7.84
Electronic Mode	3606	31.76	154483730.00	92.15
Total:	11353	100.00	167632330.00	100.00

Shareholding Pattern as on 31st March, 2018:

Categories	No. of folios	No. of Shares	Percentage (%)
Foreign Collaborators	-	-	-
Foreign Promoters	-	-	-
Non-Resident Indians	503	190572	1.137
Nationalized Banks	5	1200	0.007
Other Bodies Corporate	89	232338	1.386
Directors	1	11462343	68.378
Directors Relatives / Group Company & Associates	10	381700	2.277
Individuals / Others	10710	4448842	26.540
Overseas Corporate Bodies / Foreign National	1	600	0.004
Clearing Members	34	45638	0.272
Grand Total:	11353	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; 9.68:1.
- 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 19%
- c) Number of permanent employees on the rolls of the company as on 31st March, 2018 is 167 (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 2017-18 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: 08.08.2018

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	32 Years	Promoter Director	19.02.1965	Promoter and family business	Promoter Director	11462343
Top Ten Employees: (None of the Employees hold shares more than 2% of the Capital of the Company)											
1	Mr. Animesh Maheshwar	V.P. - Retail	2286038	Non- Contractual	Post Graduation Diploma in Retail Management	13 Years	16.11.2009	07.09.1983	Gini & Jony Ltd.	No	11707
2	Mr. R. Chinraj	*President*Now inducted to the Board and promoted as Wholesale Director w.e.f. 01/06/2018*	1973192	Non- Contractual	B.Tech	42 Years	01.08.2003	25.03.1950	Kasha Synthetics Pvt. Ltd.	No	69700
3	Mr. Manoj Khemka	V.P. Commercial & Accounts	1600999	Non- Contractual	FCA	17 Years	22.11.2010	05.12.1978	The Loot (India) Pvt. Ltd.	No	50
4	Mr. H.Gopalkrishnan	V.P. Finance & Co. Secretary	1417871	Non- Contractual	AICWA, ACS	32 Years	28.07.2004	08.07.1957	Aarey Drugs & Pharmaceuticals Ltd.	No	16250
5	Mr. Deepak Naik	V.P. Factory	1259520	Non- Contractual	INT. COM. DBMMKTG	42 Years	01.12.1992	14.09.1955	Velo Industries	No	16650
6	Mr. Abhay Ram Bhutra	Accounts Manager	1213768	Non- Contractual	C.A	5 Years	01.10.2012	21.06.1989	First Employment	No	-
7	Ms. Gloria Vilhal	Sr. Merchandiser	1099753	Non- Contractual	B.A	27 Years	12.11.2007	24.12.1967	Textrade International Pvt. Ltd.	No	-
8	Mr. Pratul C. Jena	Production Manager- Garment	966336	Non- Contractual	B.A. Diploma in DTCD & DGT	17 Years	01.07.2011	20.05.1975	Wearology Ltd.	No	-
9	Mr. Sivaram Singh	Dyeing Manager	870108	Non- Contractual	B. Sc	18 Years	22.04.2017	10.12.1977	Innovative Textile Ltd.	No	-
10	Mr. Rustam Ali Shaikh	I.T. Manager - Retail	771608	Non- Contractual	MA	18 Years	18.01.2010	01.01.1976	White Cube Pvt. Ltd.	No	-



ANNEXURE III

EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2018

[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	40%
b.	Manufacturing of Knitted cotton textile products, crocheted cotton textile products	17301	60%
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 01/04/2017				No. of Shares held at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A PROMOTER'S									
(1). INDIAN									
(a). Individual	12281300	0	12281300	73.260	11843843	0	11843843	70.650	-2.61
(b). Central/State Govt.		0				0			0
(c). FIINS / BANKS.		0				0			0
(d). Any Other									
Bodies Corporate	200	0	200	0	200	0	200	0	0
Sub-total (A) (1):-	12281500	0	12281500	73.26	11844043	0	11844043	70.65	-2.61
(2). FOREIGN									
(a). Individual NRI / For Ind		0				0			0
(b). Government		0				0			0
(c). Institutions		0				0			0

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(d). Foreign Portfolio Investors		0				0			0
(e). Any Other Specify		0				0			0
Sub-total (A) (2):-		0				0			0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	12281500	0	12281500	73.260	11844043	0	11844043	70.650	-2.61
(B). PUBLIC SHAREHOLDING									
(1). Institutions									
(a). Mutual Funds		0				0			0.000
(b). Venture Capital Funds		0				0			0.000
(c). Alternate Investments Funds		0				0			0.000
(d). Foreign Venture Capital Funds		0				0			0.000
(e). Foreign Portfolio Investors		0				0			0.000
(f). Financial Institutions / Banks	700	500	1200	0.010	700	500	1200	0.010	0.000
(g). Insurance Companies		0				0			0.000
(h). Central / State Government / President Of India		0				0			0.000
(i). Provident Funds / Pension Funds		0				0			0.000
(j). Others (specify)		0				0			0
Sub-total (B)(1):-	700	500	1200	0.01	700	500	1200	0.01	0
(2). Non-Institutions									
(a). Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	1151529	1126860	2278389	13.590	1576239	1075460	2651699	15.820	2.230
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1540500	0	1540500	9.190	1797143	0	1797143	10.720	1.530
(b). NBFCs registered with RBI		0				0			0.000
(c). Employee Trusts		0				0			0.000
(d). Overseas depositories		0				0			0.000
(c). Other (specify)									
Foreign Nationals	600	0	600	0	600	0	600	0	0
Clearing Members	54707		54707	0.33	45638		45638	0.27	
Non-Resident Indian (NRI)	26822		164422	0.98	53772		190572	1.14	
Bodies Corporate	100594		202694	1.21	130238		232338	1.39	
HUF	235821		239221	1.43					
Sub-total (B)(2):-	3110573	1126860	4480533	26.73	3603630	1075460	4917990	29.34	2.61
Total Public Shareholding (B)=(B)(1)+(B)(2)	3111273	1127360	4481733	26.740	3604330	1075960	4919190	29.350	2.61
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	15392773	1127360	16763233	100.00	15448373	1075960	16763233	100.00	0

SUDITI INDUSTRIES LTD



Company : Suditi Industries Ltd from 01-04-2017 to 31-03-2018

Shareholding of promoters MGT9 Report

Sr. 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	11890700	70.933	0	11462343	68.378	0	-2.555
2	SHALINI PAWAN AGARWAL	209600	1.25	0	209600	1.25	0	0
3	RAJENDRA KISHORILALL AGARWAL	51000	0.304	0	42400	0.253	0	-0.051
4	ARCHANA AGARWAL	50000	0.298	0	49500	0.295	0	-0.003
5	HARSH PAWAN AGARWAL	22500	0.134	0	22500	0.134	0	0
6	TANAY PAWAN AGARWAL	22500	0.134	0	22500	0.134	0	0
7	TANUJ PAWAN AGARWAL	22500	0.134	0	22500	0.134	0	0
8	MEENAGUPTA	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	11890700	70.933	31-03-2017				
				11-08-2017	-228650	Sold	11662050	69.569
				02-02-2018	-199707	Sold	11462343	68.378
	-Closing Balance			31-03-2018			11462343	68.378
2	ARCHANA AGARWAL	50000	0.298	31-03-2017				
				14-04-2017	-500	Sold	49500	0.295
	-Closing Balance			31-03-2018			49500	0.295
3	RAJENDRA KISHORILALL AGARWAL	51000	0.304	31-03-2017				
				07-04-2017	-1500	Sold	49500	0.295
				14-04-2017	-500	Sold	49000	0.292
				02-06-2017	-100	Sold	48900	0.292
				09-06-2017	-1600	Sold	47300	0.282
				16-06-2017	-900	Sold	46400	0.277
				07-07-2017	-1000	Sold	45400	0.271
				14-07-2017	-1200	Sold	44200	0.264
				02-02-2018	-1800	Sold	42400	0.253
	-Closing Balance			31-03-2018			42400	0.253

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Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

Sr. no.	Shareholder's Name	No. of Shares at the beginning/ 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	NIKHIL VORA	205161	1.224	31-03-2017				
				19-05-2017	1839	Buy	207000	1.235
				18-08-2017	125000	Buy	332000	1.981
				08-09-2017	53493	Buy	385493	2.3
				22-09-2017	-5554	Sold	379939	2.267
				27-10-2017	21490	Buy	401429	2.395
				24-11-2017	-729	Sold	400700	2.39
				19-01-2018	-5142	Sold	395558	2.36
	-Closing Balance			31-03-2018			395558	2.36
2	APARNA T CHANDRASHEKAR	36982	0.221	03-11-2017				
				10-11-2017	9754	Buy	46736	0.279
				17-11-2017	11322	Buy	58058	0.346
				24-11-2017	5000	Buy	63058	0.376
				01-12-2017	21028	Buy	84086	0.502
				19-01-2018	55000	Buy	139086	0.83
				26-01-2018	4000	Buy	143086	0.854
				02-02-2018	200000	Buy	343086	2.047
	-Closing Balance			31-03-2018			343086	2.047
3	GAURAV MAGANLAL GALA	230783	1.377	31-03-2017				
	-Closing Balance			31-03-2018		No Change	230783	1.377
4	PARVESH GANDOTRA	80000	0.477	31-03-2017				
				18-08-2017	80000	Buy	160000	0.954
	-Closing Balance			31-03-2018			160000	0.954
5	MAGANLAL ARJAN GALA	146353	0.873	31-03-2017				
	-Closing Balance			31-03-2018		No Change	146353	0.873
6	LEELA MAGANLAL GALA	96916	0.578	31-03-2017				
	-Closing Balance			31-03-2018		No Change	96916	0.578
7	TEJASH PATEL	82891	0.494	31-03-2017				
				21-04-2017	1000	Buy	83891	0.5
				12-01-2018	-2000	Sold	81891	0.489
	-Closing Balance			31-03-2018			81891	0.489
8	HARIVALLABH MUNDHRA	128507	0.767	31-03-2017				
				07-07-2017	-1000	Sold	127507	0.761
				11-08-2017	-6600	Sold	120907	0.721
				05-01-2018	-120	Sold	120787	0.721
				12-01-2018	-50714	Sold	70073	0.418
	-Closing Balance			31-03-2018			70073	0.418
9	RAJAGOPALRAJA CHINRAJ	105700	0.616	31-03-2017				
				21-04-2017	-25000	Sold	80700	0.466
				17-11-2017	-1000	Sold	79700	0.461
				24-11-2017	-2000	Sold	77700	0.449
				01-12-2017	-1000	Sold	76700	0.443
				08-12-2017	-2000	Sold	74700	0.431
				12-01-2018	-3000	Sold	71700	0.413
				19-01-2018	-2000	Sold	69700	0.401
	-Closing Balance			31-03-2018			69700	0.401

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10	HARIVALLABH PARMANANDDAS MUNDHRA HUF	54600	0.326	31-03-2017				
	-Closing Balance			31-03-2018		No Change	54600	0.326
11	SHRADDHA DEVI SARAF	130798	0.78	31-03-2017				
				18-08-2017	-4000	Sold	126798	0.756
				25-08-2017	-2500	Sold	124298	0.741
				08-09-2017	-30000	Sold	94298	0.563
				15-09-2017	-10000	Sold	84298	0.503
				22-09-2017	-6475	Sold	77823	0.464
				30-09-2017	-2447	Sold	75376	0.45
				27-10-2017	-4000	Sold	71376	0.426
				03-11-2017	-3325	Sold	68051	0.406
				17-11-2017	-16844	Sold	51207	0.305
				12-01-2018	-38571	Sold	12636	0.075
				19-01-2018	-5000	Sold	7636	0.046
				26-01-2018	-2636	Sold	5000	0.03
	-Closing Balance			31-03-2018			5000	0.03
12	RAJKUMAR SARAF	102715	0.613	31-03-2017				
				18-08-2017	-4000	Sold	98715	0.589
				25-08-2017	-2000	Sold	96715	0.577
				08-09-2017	-15393	Sold	81322	0.485
				15-09-2017	-10000	Sold	71322	0.425
				22-09-2017	-5577	Sold	65745	0.392
				30-09-2017	-2652	Sold	63093	0.376
				27-10-2017	-4000	Sold	59093	0.353
				03-11-2017	-360	Sold	58733	0.35
				24-11-2017	-10032	Sold	48701	0.291
				29-12-2017	-1000	Sold	47701	0.285
				12-01-2018	-36768	Sold	10933	0.065
				19-01-2018	-5000	Sold	5933	0.035
				26-01-2018	-933	Sold	5000	0.03
	-Closing Balance			31-03-2018			5000	0.03
13	MAHESH GOENKA	150500	0.898	31-03-2017				
				12-05-2017	-50000	Sold	100500	0.6
				21-07-2017	44758	Buy	145258	0.867
				01-09-2017	-50000	Sold	95258	0.568
				08-09-2017	-68558	Sold	26700	0.159
				12-01-2018	-23300	Sold	3400	0.02
	-Closing Balance			18-01-2018	-3400	Sold	0	0
14	MAHESH GOENKA HUF	147350	0.879	31-03-2017				
				18-08-2017	-35000	Sold	112350	0.67
				01-09-2017	-70900	Sold	41450	0.247
	-Closing Balance			08-09-2017	-41450	Sold	0	0

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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	
1	PAWAN KISHORILAL AGARWAL	11890700	70.933	01-04-2017				
				10-08-2017	-228650	Sold	11662050	69.569
				29-01-2018	-199707	Sold	11462343	68.378
	-Closing Balance			31-03-2018			11462343	68.378
2	VIVEK GANGWAL	-	-	01-04-2017				
	-Closing Balance			31-03-2018			-	-
3	SUSHILKUMAR SINGH KASLIWAL	-	-	01-04-2017				
	-Closing Balance			31-03-2018			-	-
4	SANJULA SANGHAI	-	-	01-04-2017				
	-Closing Balance			31-03-2018			-	-
5	RAJAGOPALRAJA CHINRAJ	105700	0.616	31-03-2017				
				21-04-2017	-25000	Sold	80700	0.466
				17-11-2017	-1000	Sold	79700	0.461
				24-11-2017	-2000	Sold	77700	0.449
				01-12-2017	-1000	Sold	76700	0.443
				08-12-2017	-2000	Sold	74700	0.431
				12-01-2018	-3000	Sold	71700	0.413
				19-01-2018	-2000	Sold	69700	0.401
	-Closing Balance			31-03-2018			69700	0.401
6	HARI GOPAL KRISHNAN	16250	0.100	31-03-2017				
	-Closing Balance			31-03-2018		No Change	16250	0.100

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	245536756	-	-	245536756
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	245536756	-	-	245536756
Change in Indebtedness during the financial year				
• Addition	(14827478)	-	-	(14827478)
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	230709279	-	-	230709279
ii) Interest due but not paid				
iii) Interest accrued but not				
Total (i+ii+iii)	230709279	-	-	230709279



REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.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	499,824	499,824
2	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
	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)	2,621,424	2,621,424
	Ceiling as per the Act	Within the Limit	

B. Remuneration to other directors:

Sr.no.	Particulars of Remuneration	Name of Directors Manager	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	VIVEK GANGWAL	14,000
	• Commission	SUSHILKUMAR SINGH KASLIWAL	9,000
	• Others, please specify		
	Total (1)		23,000
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	SANJULA SANGHAI	16,000
	• Commission		
	• Others, please specify		
	Total (2)		16,000
	Total (B)=(1+2)		39000
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	Within the limit	

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	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission- as % of profit- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	1417827	-	1417827

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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 & services. Purchase of fabrics & services.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 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	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 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/goods.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 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	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 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	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

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SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Suditi Sports Apparel Limited
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 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	SAA & Suditi Retail Pvt. Ltd
b)	Nature of contracts/arrangements/transaction	Sale of Fabrics & Finished Garments.
c)	Duration of the contracts/arrangements/transaction	2017-18 to 2022-23. Arrangement is for 5 years and the details are for the year 2017-18.
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	25.01.2018 for a period of 5 years & also approved by shareholders by special resolution in the Extra-Ordinary General Meeting held on 06.03.2018. Further the Board has again noted & approved in principle the transactions pertaining to 2017-18 within the limit set by the Special Resolution.
f)	Amount paid as advances, if any	Nil

For and on behalf of the Board of Directors

Place: Mumbai
Date: 08.08.2018

PAWANAGARWAL
CHAIRMAN & MANAGING DIRECTOR

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018
[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 31.03.2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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 2018 according to the provisions of:

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



- of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) 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 has

following specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines referred to above:

- The shareholders of the Company have approved, at the AGM held on 29.09.2017 pursuant to provision of Section 61(1)(a) of the Companies Act, 2013, the increase in authorized share capital of the Company from Rs.18,00,00,000/- divided into 1,80,00,000 equity shares of Rs.10/- each to Rs.25,00,00,000/- divided into 2,50,00,000 equity shares of Rs.10/- each by creating additional 70,00,000 equity shares of Rs.10/- each.
- The shareholders of the Company have approved, at an Extra-Ordinary General Meeting of the company held on 06.03.2018, to issue and allot three (3) Unsecured Fully Convertible Debentures(FCD) at a price of Rs.1,50,00,000/- per FCD having face value of Rs.1,50,00,000/- carrying a Nil Coupon Rate each fully paid up, for an total amount of Rs.4,50,00,000/- by way of a preferential allotment on private placement basis to H T MEDIA LIMITED.

**SHIV HARI JALAN
COMPANY SECRETARY**

**Place: Mumbai
Date: 07.08.2018**

**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.

'Annexure A'

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

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

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

**SHIV HARI JALAN
COMPANY SECRETARY**

**Place: Mumbai
Date: 07.08.2018**

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

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Independent Auditor's Certificate on Corporate Governance To the Members of

Suditi Industries Limited.

- 1 This Certificate is issued in accordance with the terms of our engagement letter dated 05/07/2018.
- 2 This report contains details of the compliance of conditions of corporate governance by Suditi Industries Limited ('the Company') for the year ended on 31 March 2018, 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') pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility

- 3 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

- 4 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
- 5 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 the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 6 We have complied with the relevant applicable requirements of the standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related services Engagements.

Opinion

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 31st March, 2018.

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

- 7 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 & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(**Khyati M Shah**)
Partner
Membership No. 117510

Place : Mumbai
Date: 08/08/2018

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, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity 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 Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with Rules made thereunder. 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 Ind AS financial statements based on our audit.

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

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

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



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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March, 2018, the "profit" (financial performance including other comprehensive income), it's cash flows and the changes in equity for the year ended on that date.

Other Matters

The Company had prepared separate sets of standalone financial statements for the year ended 31st March 2016 and 31st March 2017 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, which were audited by the predecessor auditor whose report dated May 29, 2017 expressed an unmodified opinion. These standalone financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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:48.1 for details on contingent liabilities)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(Khyati M Shah)
Partner
Membership No. 117510

Place : Mumbai
Date: May 30, 2018

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, 2018, 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

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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 2018, 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
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
MVAT ACT,2002	VAT	5.90	Deputy Commissioner of Sales Tax	2011-12
C.S.T ACT,1956	CST	30.32	Deputy Commissioner of Sales Tax	2011-12
MVAT ACT,2002	VAT	78.54	Deputy Commissioner of Sales Tax	2012-13
C.S.T ACT,1956	CST	16.60	Deputy Commissioner of Sales Tax	2012-13
MVAT ACT,2002	VAT	10.85	Deputy Commissioner of Sales Tax	2013-14
C.S.T ACT,1956	CST	26.18	Deputy Commissioner of Sales Tax	2013-14

- 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, Government or debenture holders.

- 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 Ind AS. Refer note no.45.1 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. However, during the year. the Company has issued three unsecured fully convertible debentures (FCDs) at a price of Rs. 150 lakhs per FCD having face value of Rs. 150 lakhs carrying NIL coupon rate each fully paid up aggregating Rs. 450 lakhs by way of a preferential allotment on private placement basis to HT Media Limited (other than promoter or promoter group). The FCDs shall be converted into equity shares at the end of 18 months from the date of allotment (20th March 2018) at a price computed in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- 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 & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(**Khyati M Shah**)
Partner
Membership No. 117510

Place : Mumbai
Date: May 30, 2018



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, 2018 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, 2018, 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 & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(**Khyati M Shah**)

Partner

Membership No. 117510

Place : Mumbai

Date: May 30, 2018

Twenty-Seventh Annual Report 2017 - 2018

Suditi Industries Limited - Standalone Results
Balance Sheet as at 31-03-2018

PARTICULARS	Notes	As at	As at	As at
		March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
1 Non-current assets				
a. Property, Plant and Equipment	1	102,339,515	103,668,312	115,506,674
b. Capital work-in-progress		16,631,456	2,262,932	-
c. Other Intangible assets	1	567,013	996,251	1,331,208
d. Intangible assets under development		2,078,378	2,078,378	2,078,378
e. Financial Assets				
i. Investments				
(a) Investments in Subsidiaries	2	9,000,000	9,000,000	9,000,000
(b) Investments in Joint Ventures	3	500,000	-	-
ii. Loans	4	86,308,742	38,723,186	39,546,185
iii. Others financial assets	5	2,204,173	2,722,623	1,985,745
f. Deferred tax assets (net)	6	2,165,160	1,367,003	2,667,576
g. Other non-current assets	7	130,000	130,000	212,500
Total non-current assets		221,924,437	160,948,685	172,328,267
2 Current assets				
a. Inventories	8	302,038,903	295,752,758	217,664,005
b. Financial Assets				
i. Other investments	9	208,080	216,288	199,872
ii. Trade receivables	10	233,623,035	226,788,755	185,379,567
iii. Cash and cash equivalents	11	4,494,406	3,797,847	2,975,263
iv. Loans	4	240,695	53,160	364,580
c. Current Tax Assets (Net)	12	298,268	1,339,576	17,682,873
d. Other Current Assets	7	27,336,002	19,667,187	22,378,068
Total current assets		568,239,389	547,615,571	446,644,228
Total assets		790,163,826	708,564,256	618,972,495
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	13	167,632,330	167,632,330	166,743,030
b. Other equity	14	162,893,157	126,414,592	105,734,272
Equity attributable to owners of the Company		330,525,487	294,046,922	272,477,302
Total Equity		330,525,487	294,046,922	272,477,302
LIABILITIES				
1 Non-current liabilities				
a. Financial Liabilities				
i. Borrowings	15	41,070,732	34,566,249	43,351,553
b. Other non-current liabilities	16	4,205,901	4,173,700	923,700
Total non-current liabilities		45,276,633	38,739,949	44,275,253
2 Current liabilities				
a. Financial Liabilities				
i. Borrowings	17	230,709,279	210,970,507	180,872,003
ii. Trade payables	18	140,915,178	137,309,929	93,324,646
iii. Other financial liabilities	19	19,354,783	19,846,412	13,655,529
b. Provisions	20	4,414,882	4,355,301	3,460,542
c. Other current liabilities	21	18,967,584	3,295,236	10,907,219
Total current liabilities		414,361,706	375,777,385	302,219,939
Total liabilities		459,638,339	414,517,334	346,495,193
Total Equity and Liabilities		790,163,826	708,564,256	618,972,495

See accompanying notes to the financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial



Suditi Industries Limited - Standalone Results
Statement of profit and loss for the year ended March 31, 2018

PARTICULARS	Notes	As at March 31, 2018	As at March 31, 2017
I Revenue from operations	22	978,106,070	815,612,358
II Other Income	23	1,701,345	2,930,025
III Total Income (I + II)		979,807,415	818,542,383
IV Expenses			
Cost of materials consumed	24	537,515,303	484,150,512
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(6,175,275)	(83,619,904)
Excise duty on sale of goods		928,483	381,173
Employee benefits expense	26	76,951,929	72,660,920
Finance costs	27	29,123,441	29,049,691
Depreciation and amortisation expense	28	15,057,013	17,890,811
Other Expenses	29	277,796,786	261,164,597
Total Expenses (IV)		931,197,680	781,677,800
V Profit before tax (III - IV)		48,609,735	36,864,583
VI Tax expenses			
(1). Current tax		15,759,208	14,401,644
(2). Deferred tax		(996,320)	1,357,638
		14,762,888	15,759,282
VII Profit for the period (V- VI)		33,846,847	21,105,301
Other comprehensive income	33		
A (i) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(412,188)	127,070
b. Income tax relating to items that will not be reclassified to profit or loss		161,859	(42,013)
VIII Total other comprehensive income [a+b]		(250,329)	85,057
X Total comprehensive income for the period (VII + VIII)		33,596,518	21,190,358
Earnings per equity share (for continuing operations):			
(1). Basic (in Rs.)		2.00	1.26
(2). Diluted (in Rs.)		1.91	1.26
See accompanying notes to the financial statements			

As per our report of even date attached

For Chaturvedi & Partners
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(Firm Registration No.307068E)

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Mumbai, 30th May, 2018

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Twenty-Seventh Annual Report 2017 - 2018

Suditi Industries Limited - Standalone Results

Cash Flow Statement for the year ended March 31, 2018

(Rs. in lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Cash flows from operating activities		
Profit for the year	486.10	368.65
Adjustments for:		
Interest paid recognised in profit or loss	291.23	46.23
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	150.57	178.91
Prior period account	-	36.68
Amortisation of Rights Issue Expenses	-	3.83
Profit on sale of fixed assets	-	(0.79)
Loss on insurance claim	-	0.95
Reduction in Investment value	0.08	0.18
Deferred Revenue Included in OCI for the year	(0.77)	-
Employee's Compensation	56.70	30.69
	983.91	665.32
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(136.49)	(269.77)
(Increase)/decrease in amounts due from customers under construction contracts	-	-
(Increase)/ decrease in inventories	(62.86)	(780.89)
(Increase)/decrease in other assets	-	-
Increase/ (Decrease) in Provisions	0.60	8.95
Increase/ (Decrease) in trade payables	36.05	441.89
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	113.29	(14.21)
Cash generated from operations	934.50	51.29
Income taxes paid	(157.59)	(144.02)
Net cash generated by operating activities	776.90	(92.73)
Cash flows from investing activities		
Payments to acquire financial assets	(276.78)	(80.07)
Proceeds on sale of financial assets	0.11	1.05
Movement in Long term loans and advances	(470.67)	1.69
Subsidy - Interest	-	(0.29)
Insurance claim received	-	8.09
Movement in Non Current Investments	(5.00)	-
Net cash (used in)/generated by investing activities	(752.35)	(69.53)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	8.89
Proceeds from borrowings (Incl Deferred revenue)	450.00	23.63
Proceeds from Current borrowings	197.39	300.99
Repayment of borrowings	(345.66)	(111.48)
Movement in Other long term liabilities	0.32	32.50
Dividends paid on equity shares and convertible non-participating preference shares	(23.60)	(32.11)
Tax paid on Dividend	(4.80)	(5.99)
Interest paid	(291.23)	(45.94)
Net cash used in financing activities	(17.59)	170.49
Net increase in cash and cash equivalents	6.96	8.23
Cash and cash equivalents at the beginning of the year	37.98	29.75
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		
Cash and cash equivalents at the end of the year	44.94	37.98
See accompanying notes to the standalone financial statements		



Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under Section 133 of the Companies Act, 2013 & Rules made thereunder.
- Previous year figures have been regrouped where necessary.

(Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017
3. Cash and Cash Equivalents comprises of:		
Cash on Hand	3.61	5.11
Balances with Banks		
- Current Accounts	14.19	10.41
Earmarked Balances with Banks		
- Unpaid Dividend	27.14	22.45
Cash and Cash Equivalents in Cash Flow Statement	44.94	37.98

4. **Amendment to Ind AS 7**

The amendments to Ind AS Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(Rs. in lacs)

	As at	Non-cash changes			As at
	March 31, 2017	Cash Flows	Fair value changes	Current/ Non-current classification	March 31, 2018
Borrowings - Non Current	345.66	(345.66)	-	-	-
Borrowings - Non Current FCD's	0.00	450.00	(39.29)	-	410.71
Other Financial Liabilities	41.74	0.32	-	-	42.06
Borrowings - Current	2109.71	197.39	-	-	2307.09

- During the year the company has received an amount of Rs. 450 lakhs against the issue of Fully Convertible Debentures. Pursuant to the provisions of Ind AS 109 a sum of Rs. 410.71 lakhs (being the resultant amount after fair valuation of the liability) has been shown as proceeds from borrowings and an amount of Rs. 38.5 lakhs being the deferred revenue has been shown as a part of current liabilities under the financing activities. The balance amount of Rs. 0.79 lakhs being Other Comprehensive Income (OCI) has been included in the profit of the year.
- In the Cash Flow from investing activities, movement of non-current Investment comprises of investment made by the Company in its 50:50 Joint Venture—M/s. SAA & Suditi Retail Pvt. Ltd. amounting to Rs.5 lacs which has been accounted as per Equity method.

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial

Twenty-Seventh Annual Report 2017 - 2018

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

a. Equity share capital

	Notes	Number of Shares	Amount in Rs.
Balance at April 1, 2016		16,674,303	166,743,030
Changes in equity share capital during the year 2016-17			
(a) Issue of equity shares under employee share option plan	13	88,930	889,300
Balance at March 31, 2017		16,763,233	167,632,330
Changes in equity share capital during the year 2017-18			
	-	-	
Balance at March 31, 2018		16,763,233	167,632,330

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

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(Membership No.117510)
Mumbai, 30th May, 2018

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Other Equity

Particulars	Notes	Reserves & Surplus			Amount in
		Securities Premium Reserve	Share based Payment reserve	Retained Earnings	Rs.
					Total
Balance at April 1, 2016			2,097,094	103,637,177	105,734,272
Profit for the year				21,105,300	21,105,300
Other comprehensive income for the year, net of income tax					85,057
Total comprehensive income for the year		-	-	21,105,300	85,057
Recognition of share-based payments			895,147		895,147
Shares issued at premium		2,003,148			2,003,148
Impact on account of Deferred Tax				225,637	225,637
Impact on account of INDAS (P.Y)				(3,633,969)	(3,633,969)
Balance at March 31, 2017	14	2,003,148	2,992,241	121,334,145	85,057
Profit for the year				33,846,848	33,846,848
Other comprehensive income for the year, net of income tax					(250,329)
Total comprehensive income for the year		-	-	33,846,848	(250,329)
Recognition of share-based payments			6,059,346		6,059,346
Dividend Paid				(2,360,000)	(2,360,000)
Dividend distribution tax paid				(480,244)	(480,244)
Impact on account of INDAS (P.Y)				(337,056)	(337,056)
Balance at March 31, 2018		2,003,148	9,051,587	152,003,694	(165,272)

As per our report of even date attached

For Chaturvedi & Partners
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(Firm Registration No.307068E)

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Twenty-Seventh Annual Report 2017 - 2018

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

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 Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the company has prepared in accordance with Ind AS. Refer to Note 51 for information on first time adoption of Ind AS .

The financial statements have been prepared on the historical cost basis, except for certain financial instruments (refer accounting policy regarding financial instruments), which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

2. Summary of Significant Accounting Policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is considered current when it is:-

- a) Expected to be realised or intended to be sold or consumed in a normal operating cycle
- b) Held Primarily for the purpose of trading
- c) Expected to be realised within twelve months after the reporting period
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when :

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading.
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Advance tax paid is classified as noncurrent assets.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. Foreign Currencies

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.

c. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

- (a) Sale of Goods Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied: the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the Company; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

(b) Other Income

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

d. Government Grants

Government Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e. Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred Income Tax

Deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Minimum Alternate Tax (MAT)

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note issued by ICAI on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

f) Property, plant and equipment

On transition to Ind-AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP and use that carrying value as a deemed cost of property, plant and equipment.

Capital work in progress, property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced

Twenty-Seventh Annual Report 2017 - 2018

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Depreciation is calculated on a straightline basis over the estimated useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 as follows:

Assets	Life in Years
Plant & Machinery	Over a period of 15/10 years
Office Building	60 Years
Factory Building	30 Years
Computers	3 Years
Office Equipment	5 Years
Furniture & Fittings	10 Years
Vehicles	8 Years/10 Years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) **Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

A summary of the policies applied to the Company's intangible assets is, as follows:

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

h) **Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-



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generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

j) **Leases**

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit or loss as per the contractual terms.

k) **Inventories**

Inventories are valued at lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, consumables, stores, spares and packing materials:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Finished goods are valued on standard cost basis that approximates to actual cost.

Traded goods:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Traded goods are valued at standard cost that approximates to actual cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) **Provisions, Contingent liability & Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets are neither recognised nor disclosed in the financial statements.

m) **Employee Benefits**

i) **Defined Contribution Plans.**

Contributions to the Employees' Regional Provident Fund, Superannuation Fund, Employees Pension Scheme and Employees' State Insurance are recognized as defined contribution plan and charged as expenses during the period in which the employees perform the services.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

ii) **Defined Benefit Plans.**

Retirement benefits in the form of Gratuity and Leave Encashment are considered as defined benefit plan and determined on actuarial valuation using the Projected Unit Credit Method at the balance sheet date. Actuarial Gains or Losses through re-measurement of the net obligation of a defined benefit liability or asset is recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to a Trust administered by the Trustees. The interest rate to the members of the Trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

iii) **Short-term Employee Benefits.**

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

iv) **Long-term Employee Benefit.**

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. Annual leaves can either be availed or encashed subject to restriction on the maximum accumulation of **leaves**.

v) **Termination Benefits.**

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

n) **Financial instruments**

Financial Instruments. A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. **Financial Assets.**

1.1 **Definition :**

Financial Assets include Cash and Cash Equivalents, Trade and Other Receivables, Investments in Securities and other eligible Current and Non-Current Assets. At initial recognition, all financial assets are measured at fair value. The classification is reviewed at the end of each reporting period.

(i) **Financial Assets at Amortised Cost:** At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of Profit and Loss.

(ii) **Financial Assets at Fair value through Other Comprehensive Income :**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognized in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to the Statement of Profit and Loss.

(iii) **Financial Assets at Fair value through Profit or Loss (FVTPL):**

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

1.2 **Trade Receivables.**

A Receivable is classified as a 'trade receivable' if it is in respect of the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

1.3 **Investment in Equity Shares.**

Investment in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized



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through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

1.4 Investment in Associates, Joint Ventures and Subsidiaries.

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

1.5 Derecognition of Financial Assets.

A Financial Asset is primarily derecognized when:

- The right to receive cash flows from asset has expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2. Financial Liabilities.

2.1 Definition :

Financial liabilities include Long-term and Short-term Loans and Borrowings, Trade and Other payables and Other eligible Current and Non-current Liabilities.

(a) Initial Recognition and Measurement.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

(b) Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

i) Financial Liabilities at Fair Value through Profit and Loss.

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit and loss. Financial liabilities at fair value through profit and loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

ii) Financial Liabilities measured at Amortized Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method (EIR) except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the Statement of Profit and Loss.

2.2 Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured through Profit & loss as all the borrowings are long term in nature.

2.3 Financial Guarantee Contracts.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative amortization.

2.4 Trade and Other Payables.

A payable is classified as trade payable if it is in respect of the amount due on account of goods purchased or

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services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.5 De-recognition of Financial Liability.

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit and loss as other income or finance costs.

3. Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4. Derivative Financial Instruments.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss.

Fair value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

o) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The diluted potential equity shares have been arrived at, assuming that the proceeds receivable were based on shares having been issued at the average market value of the outstanding shares. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q) Dividend distribution to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) 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.

s) 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.



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- t) **Service tax input credit**
Service tax on input service is expensed out since the Company does not have any output liability.
- u) **Goods & Service Tax**
The Government of India introduced the Goods and Service Tax (GST) with effect from 01/07/2017. Accordingly, in compliance with Indian Accounting Standard (Ind AS) 18 - Revenue, Revenue from operations for the period beginning 01/07/2017 to 31/03/2018 is presented net of GST. Revenue from operations of earlier periods include Excise Duty which now is subsumed with GST. Accordingly, the Revenue from operations for the quarter ended and year ended 31/03/2018 are not comparable with corresponding previous periods presented in the Financial Results which are reported inclusive of Excise Duty.
- v) **Segment Reporting**
In accordance with Ind AS 108 "Operating Segments", the Company has only one reportable Primary Business segment viz. Hosiery Fabrics and Garments. The Geographical segment reported earlier under Export as well as Domestic are now not reported as the exports are insignificant. Further, the Company does not have separate identifiable bifurcation of Assets as the entire operations are undertaken for Hosiery Fabric only.
- w) **Investment in subsidiaries and associates**
An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:
- power over the investee;
 - exposure, or rights, to variable returns from its involvement with the investee; and
 - the ability to use its power over the investee to affect the amount of the investor's returns.
- An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, 'Non-current Assets Held for Sale and Discontinued Operations', when they are classified as held for sale. Investment carried at cost is tested for impairment as per Ind-AS 36.
- x) **Share-based payments**
Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions. The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share- Based Payment Reserves' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.
- y) **Significant management judgement in applying accounting policies and estimation uncertainty**
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the

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disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of depreciable assets

The Company reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

d) Business combinations

The Company uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination. In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability

e) Impairment of non-financial assets and goodwill

In assessing impairment, Company estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

f) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



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1 Property, plant and equipment and capital work-in-progress

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Land (Leasehold)	1,619,223	1,619,222	1,642,190
Building	18,112,374	20,809,263	23,506,152
Plant & Machinery	22,187,407	25,008,738	28,556,415
Furniture and Fixtures	31,759,767	35,229,117	40,017,625
Office & Other Equipments	12,633,913	12,169,284	12,252,263
Computers	4,406,149	1,715,782	2,479,026
Electric Installation	9,379,779	5,321,129	6,069,699
Vehicles	2,240,903	1,795,777	983,305
	102,339,515	103,668,312	115,506,675
Capital work-in-progress	16,631,456	2,262,932	-
	118,970,971	105,931,244	115,506,675
Other intangible assets			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Software	567,013	996,251	1,331,208
	567,013	996,251	1,331,208
Intangible assets under development	2,078,378	2,078,378	2,078,378
	2,645,391	3,074,629	3,409,586

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All the assets are pledged as security including the future assets.

Property, Plant & Equipment:

	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Total
Gross Block									
Cost or Deemed Cost									
Balance at April 1, 2016	1,642,190	38,472,991	295,027,920	56,792,722	18,344,135	13,733,726	14,467,438	2,018,681	440,499,803
Additions	-	-	2,105,688	286,965	1,552,184	213,298	174,640	1,125,000	5,457,775
Disposals			26,466						26,466
Balance at March 31, 2017	1,642,190	38,472,991	297,107,142	57,079,687	19,896,319	13,947,024	14,642,078	3,143,681	445,931,112
Additions	-	-	221,102	1,460,062	2,105,744	3,751,398	4,984,294	787,170	13,309,770
Disposals				10,791					
Balance at March 31, 2018	1,642,190	38,472,991	297,328,244	58,528,958	22,002,063	17,698,422	19,626,372	3,930,851	459,230,091
Accumulated depreciation and impairment									
Balance at April 1, 2016	-	14,966,839	266,471,505	16,775,097	6,091,872	11,254,700	8,397,739	1,035,377	324,993,129
Depreciation expenses for the year	22,967	2,696,889	5,626,899	5,075,473	1,635,163	976,542	923,210	312,528	17,269,671
Balance at March 31, 2017	22,967	17,663,728	272,098,404	21,850,570	7,727,035	12,231,242	9,320,949	1,347,905	342,262,800
Depreciation expenses for the year	2,696,889	3,042,432	4,918,620	4,918,620	1,641,116	1,061,031	925,644	342,044	14,627,775
Balance at March 31, 2018	22,967	20,360,617	275,140,837	26,769,190	9,368,150	13,292,273	10,246,593	1,689,948	356,890,575
Carrying amount									
Balance at April 1, 2016	1,642,190	23,506,152	28,556,415	40,017,625	12,252,263	2,479,026	6,069,699	983,305	115,506,674
Balance at March 31, 2017	1,619,223	20,809,263	25,008,738	35,229,117	12,169,284	1,715,782	5,321,129	1,795,777	103,668,312
Balance at March 31, 2018	1,619,223	18,112,374	22,187,407	31,759,768	12,633,913	4,406,149	9,379,779	2,240,903	102,339,516



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Other Intangible Assets

	Software	Trademark	Total
Gross Block			
Cost or Deemed Cost			
Balance at April 1, 2016	3,028,616	300,000	3,328,616
Additions	309,150	-	309,150
Disposals			
Balance at March 31, 2017	3,337,766	300,000	3,637,766
Additions	-		
Disposals			
Balance at March 31, 2018	3,337,766	300,000	3,637,766
Accumulated depreciation and impairment			Total
Balance at April 1, 2016	1,697,408	300,000	1,997,408
Depreciation expenses for the year	644,107		644,107
Balance at March 31, 2017	2,341,515	300,000	2,641,515
Depreciation expenses for the year	429,238		429,238
Balance at March 31, 2018	2,770,753	300,000	3,070,753
Carrying amount			Total
Balance at April 1, 2016	1,331,208	-	1,331,208
Balance at March 31, 2017	996,251	-	996,251
Balance at March 31, 2018	567,013	-	567,013

2 Investments in Subsidiary

Break-up of investments in Subsidiary

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Qty.	Amount in Rs.	Qty.	Amount in Rs.	Qty.	Amount in Rs.
Investments in Equity Instruments						
Investments in subsidiary:						
Investment in Suditi Design Studio Ltd	860,000	8,600,000	860,000	8,600,000	860,000	8,600,000
Investment in Suditi Sports Apparel Ltd.	40,000	400,000	40,000	400,000	40,000	400,000
Total Aggregate Unquoted Investments (A)	900,000	9,000,000	900,000	9,000,000	900,000	9,000,000

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Carrying Value of unquoted investments	9,000,000	9,000,000	9,000,000

3 Investments in Joint ventures

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Qty.	Amount in Rs.	Qty.	Amount in Rs.	Qty.	Amount in Rs.
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
Investment in Saa & Suditi Retail Pvt. Ltd.	50,000	500,000	-	-	-	-
Total Investments Carrying Value	50,000	500,000	-	-	-	-

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Carrying Value of unquoted investments	500,000	-	-

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Details and financial information of material joint ventures

Details of the Group's material joint venture at the end of the reporting period is as follows:

Name of joint venture	Principal Activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group		
			As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Saa & Suditi Retail Pvt. Ltd.	Manufacturing & Retail Sales of Fashion Garments under Brand name "NUSH"	Mumbai	50%	-	-

4 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non- Current			
Unsecured, considered Good			
Security Deposits	83,516,932	35,931,376	36,754,375
Capital Advances	2,791,810	2,791,810	2,791,810
Total	86,308,742	38,723,186	39,546,185
Current			
Loans & Advances to Employees	240,695	53,160	364,580
Total	240,695	53,160	364,580

5 Other Non Current Financial Assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered good			
Fixed Deposit with Banks	2,204,173	2,722,623	1,985,745
Bank deposits with original maturity for more than 12 months			
Total	2,204,173	2,722,623	1,985,745

6 Deferred Tax Assets/(Liabilities)

The following is the analysis of deferred tax assets presented in the balance sheet:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	2,165,160	1,367,004	2,667,576
Total	2,165,160	1,367,004	2,667,576

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets			
Related to Other Current Liabilities	-	84,716	84,716
Related to Short term provisions	-	1,231,053	1,643,957
Related to Plant, Property & Equipment	458,435	-	794,555
Related to Other Current assets	266,065	-	60
Related to Amortisation of Right Issue Expenses	-	-	126,558
Related to Provision for bad & doubtful debt (ECL Method)	21,680	21,188	17,731
Related to Actuarial (Gain) / Loss	119,846	-	-
Other Adjustments	-	505,487	-
Related to Amortisation on Fully convertible debentures	1,299,134	-	-
Total	2,165,160	1,842,444	2,667,576



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Deferred tax Liabilities

Related to Plant, Property & Equipment	-	(306,158)	-
Related to other Current assets	-	(712)	-
Related to Reversal of Deferred Tax on Right issue expenses	-	(126,558)	-
Related to Actuarial (Gain) / Loss	-	(42,013)	-
Total	-	(475,441)	-
Net deferred tax (liability) / asset	2,165,160	1,367,004	2,667,576

7 Other Assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non- Current			
Unsecured , Considered Good			
Other Security Deposits	130,000	130,000	212,500
Total	130,000	130,000	212,500
Current			
Unsecured , Considered Good			
Others			
Receivable in Cash or Kind	7,339,135	6,689,038	11,106,228
Balances with government authorities			
Central Excise and Customs	613,906	613,906	613,906
GST receivable	5,361,148		
Sales tax Refund and Set-off	8,289,408	6,483,551	7,538,908
Advance to Suppliers	5,229,774	2,158,941	2,520,805
Prepaid Expenses	502,632	3,721,751	598,221
Total	27,336,002	19,667,187	22,378,068

8 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Inventories (lower of cost and net realisable value)			
Raw materials	12,264,893	11,804,602	16,733,537
Work-in-progress	19,141,090	17,592,221	10,499,734
Finished goods	265,937,660	261,311,255	141,195,524
Stock-in-trade	-	-	43,588,314
Stores and spares	4,440,897	4,297,424	5,490,531
Fuel & Oil	254,362	747,257	156,365
Total	302,038,903	295,752,758	217,664,005

The mode of valuation of inventories has been stated in note 2-k of summary of significant accounting policies.

9 Other investments

Current

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Qty. in Rs.	Amount	Qty. in Rs.	Amount	Qty. in Rs.	Amount
Quoted Investments (all fully paid)						
(a) Investments in Equity Instruments						
IDBI Bank Limited	2,880	208,080	2,880	216,288	2,880	199,872
[2880 (Including Bonus Shares issues of 1080 shares)]						
Total Aggregate Quoted Investments (A)	2,880	208,080	2,880	216,288	2,880	199,872

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Book Value of quoted investments	208,080	216,288	199,872

Investment in equity shares are recognised at fair value through profit and loss.

10 Trade Receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Trade receivables			
Unsecured, considered good	233,688,606	226,852,838	185,433,195
Less : Allowance for doubtful debts (expected credit loss allowances)	(65,571)	(64,082)	(53,628)
Total	233,623,035	226,788,756	185,379,567

Note : Allowance for bad & doubtful debts is created in accordance 'expected credit loss' model prescribed under Ind AS 109.

11 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks	1,419,114	1,041,329	934,608
Cash on hand	361,198	511,028	392,178
Others :			
a) Earmarked balances with banks (Dividend accounts)	2,714,094	2,245,490	1,648,477
Total	4,494,406	3,797,847	2,975,263

Note : The Unpaid dividend amount will be transferred to Investor Education & Protection Fund as & when due.

12 Current tax assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current tax assets			
Income Tax (Net of provisions)	298,268	1,339,576	11,121,306
MAT Credit Entitlement	-	-	6,561,567
Total	298,268	1,339,576	17,682,873

13 Equity share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity share capital	167,632,330	167,632,330	166,743,030
Total	167,632,330	167,632,330	166,743,030
Authorised Share Capital			
18,000,000 Fully paid equity shares of Rs.10/- each	180,000,000	180,000,000	180,000,000
Issued, subscribed & Paid Up			
1,67,63,233 Fully paid equity shares of Rs.10/- each (as at March 31, 2018) ; 1,67,63,233 of 10 each as at March 31, 2017)	167,632,330	167,632,330	166,743,030
Total	167,632,330	167,632,330	166,743,030
Fully paid equity shares			

	Number of shares in	Share capital (Amount)
Balance at April 1, 2016	16,674,303	166,743,030
(a) Issue of equity shares under employee share option plan (Note)	88,930	889,300
Balance at March 31, 2017	16,763,233	167,632,330
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	16,763,233	167,632,330



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares						
Pawan Kishorilal Agarwal	11,462,343	68.378	11,890,700	70.933	12,090,700	72.511

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.

Shares reserved for issue under options

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 2017-18, another 30% of the options so granted have been vested which is in line with the Company's ESOP scheme. No options are exercised in the current year.

Further the Compensation Committee had 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. During the year, all the options granted under the above scheme were vested ; however no options were exercised in the current year.

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2018).

14 Other Equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retained earnings	152,003,694	121,334,145	103,637,177
Securities premium reserve	2,003,148	2,003,148	-
Share based Payment Reserve	9,051,587	2,992,241	2,097,094
Other items of other comprehensive income	(165,272)	85,057	-
Total	162,893,157	126,414,592	105,734,272

Retained Earnings	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	121,334,145	103,637,177	-
Add: Profit During the year	33,846,848	21,105,300	-
Impact on Account of Deferred Tax	-	225,637	-
IndAS Adjustments (P.Y)	(337,056)	(3,633,969)	-
Dividend Paid	(2,360,000)	-	-
Dividend distribution tax paid	(480,244)	-	-
Balance at end of year	152,003,694	121,334,145	103,637,177

Securities premium reserve	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	2,003,148	-	-
Add: Transfers during the year	-	2,003,148	-
Balance at end of year	2,003,148	2,003,148	-

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Share based Payment reserve	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of year	2,992,241	2,097,094	-
Add: Transfers during the year	6,059,346	895,147	-
Balance at end of year	9,051,587	2,992,241	2,097,094

Other items of other comprehensive income	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Balance at the beginning of year	85,057	-	-
Add: Additions during the year	(250,329)	85,057	-
Balance at end of year	(165,272)	85,057	-

Description of nature & purpose of each reserve:

Securities Premium Reserve: Created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings: Created from Profit/loss of the Company, as adjusted for distribution to owners, transfers to other reserves etc.

Share based Payment reserve: Created for recording the grant date fair value of options issued to employees under the Employees stock option schemes & is adjusted on exercise/forfeiture of options.

Other items of other comprehensive income : Created for transferring the re-measurements gains & losses on defined benefit plans & deferred revenue of Fully convertible debentures.

The Board of Directors has recommended a dividend of Rs.0.20 per share exclusively on the portion of the share capital held by the public as on the record date to be announced. 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 2018 in accordance with Indian Accounting Standard (Ind AS)-10 "Events after the Reporting Period".

15 Non-current borrowings

	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured - at amortised cost			
(i). Fully Convertible debentures	41,070,732	-	-
Secured			
(ii). Term loans			
- From banks	-	34,566,249	43,351,553
Total non-current borrowings	41,070,732	34,566,249	43,351,553

Summary of borrowing arrangements

(i) Fully Convertible debentures:

During the year 2017-18, Company has issued 3 Fully Convertible debentures of Face value of Rs. 1,50,00,000/- each to H.T. Media Limited. The terms of the issue are :

1. The Equity shares issued on conversion shall rank pari passu with the Existing Equity Shares of the company.
 2. The FCDs shall be converted into Equity shares at the end of 18 months from date of such allotment.
 3. The FCDs shall be unsecured.
 4. Pricing of Equity shares - Frequently Trade Shares: The FCDs shall be converted into Equity shares of face value of Rs. 10/- each at a price which is higher of the following:
 - (a) Rs. 80/- per Equity share.
 - (b) Price arrived at in accordance with the ICDR Regulations. ("Conversion Price")
- The objects of the Preferential issue:
- (i) The object of the issue is to meet funding requirements towards brand building through advertising in the print & non-print media.
 - (ii) To meet issue expenses
 - (iii) General Corporate Purposes

As per IND AS 109 - Financial Instruments, Fully convertible debentures issued during the year are convertible into Equity shares as stated above. The same are reflected at fair value calculated on the basis of present value of the instrument as on the date of Balance Sheet.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Term Loan-I from Axis Bank

Sanctioned amount	Rs.450 lakhs
Secured by	Hypothecation of current assets of the company. The loan was 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	Originally the loan was repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a. However the Company has repaid the loan and closed the loan account during the current financial year.

(Rs. in lakhs)					
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2017-18	325.85	-	25.17	351.02	-

Term Loan-III from Axis Bank

Sanctioned amount	Rs.40 lakhs
Secured by	Hypothecation of current assets of the company. The loan was 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	Originally the loan was repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a. However the Company has repaid the loan and closed the loan account during the current financial year.

(Rs. in lakhs)					
Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2017-18	19.82	6.34	1.64	27.80	-

Note: Term Loan-II from Axis Bank is already settled in the year 2016-17.

16 Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	4,205,901	4,173,700	923,700
Total	4,205,901	4,173,700	923,700

17 Current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a). Loans repayable			
- from banks	230,709,279	210,970,507	180,872,003
- from others			
Total	230,709,279	210,970,507	180,872,003

Rate of interest charged for the working capital borrowing in respect of Axis bank is MCLR + 1.5% p.a. & Punjab National Bank is MCLR + 2.65% 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.

18 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro Enterprises & Small Enterprises	3,514,843	8,710,968	11,303,186
Others	137,400,335	128,598,961	82,021,460
Total	140,915,178	137,309,929	93,324,646

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 the terms of the Contract agreed between the parties at the Balance Sheet date. This information has been determined on the basis of information available with the company.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

19 Other financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
a Employee Benefits Payable	7,056,172	7,201,872	4,224,989
b Outstanding Expenses	9,584,769	10,399,302	7,782,171
c Unpaid Dividend	2,713,842	2,245,238	1,648,369
Total	19,354,783	19,846,412	13,655,529

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.

20 Provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Leave Salary	1,987,157	2,148,686	1,919,130
Gratuity	2,427,725	2,206,615	1,541,412
Total	4,414,882	4,355,301	3,460,542
Current	4,414,882	4,355,301	3,460,542
Non-Current	-	-	-
	4,414,882	4,355,301	3,460,542

21 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
TDS	1,392,146	1,031,628	876,155
Professional Tax	52,350	58,150	42,675
Income tax payable	11,694,311	-	-
Advances from Customers	1,373,935	1,488,888	9,372,643
Service Tax	-	-	11,914
Provident fund	476,278	556,386	498,494
ESIC	126,655	160,184	105,338
Deferred Revenue	3,851,909	-	-
Total	18,967,584	3,295,236	10,907,219

As per IND AS 109 - " Financial Instruments" Deferred Revenue is created with respect to Fully convertible debentures issued during the year.

22 Revenue from operations

	As at March 31, 2018	As at March 31, 2017
(a) Sale of products (Including Excise Duty of Rs.9,28,483/- for the year ended March 31, 2018, & Rs.3,81,173/- for the year ended March 31, 2017)	977,296,914	814,328,920
(b) Other operating revenues	809,156	1,283,438
	978,106,070	815,612,358

23 Other Income

	As at March 31, 2018	As at March 31, 2017
(a). Interest Income		
- Bank deposits	144,401	120,569
	144,401	120,569
(b). Other non-operating income		
- Others (aggregate of Miscellaneous items)	1,556,944	2,809,456
	1,556,944	2,809,456
(a + b)	1,701,345	2,930,025



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

24 Cost of Materials consumed	As at March 31, 2018	As at March 31, 2017
Opening stock	11,804,602	16,733,537
Add: Purchases	537,975,593	479,221,577
Less: Closing stock	12,264,893	11,804,602
	537,515,303	484,150,512
Material consumed:		
Chemicals	37,864,968	46,832,559
Dyes	18,599,164	20,956,607
Yarn & Fabric	383,581,298	377,216,637
Other Raw Materials	97,469,873	39,144,709
	537,515,303	484,150,512
25 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
Inventories at the end of the year:		
Finished goods	265,937,660	261,311,255
Work-in-progress	19,141,090	17,592,221
	285,078,750	278,903,475
Inventories at the beginning 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
	278,903,475	195,283,572
	(6,175,275)	(83,619,904)
26 Employee enefits expenses		
	As at March 31, 2018	As at March 31, 2017
Salaries and Wages	62,819,152	62,196,701
Contribution to provident and other funds	3,732,104	3,679,093
Staff Welfare Expenses	4,341,328	3,886,831
Expense on employee stock option (ESOP) scheme	6,059,346	2,898,295
	76,951,929	72,660,920
27 Finance Costs		
	As at March 31, 2018	As at March 31, 2017
Interest costs :-		
Interest on borrowings	26,911,680	28,187,831
Interest on Trade payables	2,211,732	861,860
Other interest expense	29	-
Total interest expense for financial liabilities not classified as at FVTPL	29,123,441	29,049,691
28 Depreciation and amortisation expense		
	As at March 31, 2018	As at March 31, 2017
Depreciation of property, plant and equipment	14,627,775	17,246,704
Amortisation of intangible assets	429,238	644,107
Total depreciation and amortisation expenses	15,057,013	17,890,811

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

29 Other expenses

	As at March 31, 2018	As at March 31, 2017
Stores & Spares Consumable	23,171,779	21,682,369
Consumption of Packing Materials	9,145,215	6,830,313
Sub Contracting	102,523,401	89,488,321
Power & Fuel	63,033,166	57,319,684
Water	8,626,830	7,796,326
Rent Including Lease Rentals	2,590,680	4,392,206
Building	579,843	1,183,332
Machinery	3,822,097	2,949,367
Others	5,420,509	5,537,422
Insurance	1,180,650	640,668
Rates & Taxes	3,834,234	10,710,472
Communication	1,394,590	2,340,713
Travelling & Conveyance	4,088,457	4,551,323
Printing & Stationery	1,529,779	828,825
Sales Commission	1,864,711	1,233,618
Pilferage & Shortage	985,503	1,284,151
Royalty	11,340,406	6,422,644
Legal & Professional	11,024,947	9,234,174
Statutory Auditors Remuneration*	602,500	660,000
Transportation Charges	8,992,985	8,610,071
Bank Charges, Commission & Others	1,310,795	770,580
Advertisement Expenses	2,013,946	2,813,336
Motor Car Expenses	1,450,962	1,419,052
Security Charges	3,247,839	3,388,165
Registrar & Transfer Expenses	173,999	140,097
Subscription & Membership	60,171	411,972
Prior Period Expenses	-	4,019,175
Sundry Balance w/off	313,798	1,756,226
Amortisation of Land	22,967	22,967
Provision of Bad debt as per ECL Method	1,489	10,454
Miscellaneous Expenses	2,954,140	2,621,584
Loss on claim received	-	94,989
GST Expenses	223,675	-
Business Promotion Expense	270,723	-
Total	277,796,786	261,164,597

* Statutory Auditors Remuneration

	As at March 31, 2018	As at March 31, 2017
a) For audit	502,500	560,000
b) For taxation matters	100,000	100,000
Total	602,500	660,000

30 Financial Risk Management Objectives & Policy

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate, risk and commodity risk etc.), credit risk and liquidity risk.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly two types of risk: Interest rate risk & currency risk. The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

a) Foreign Currency Risk

The Company is not having any significant foreign transactions; hence the company is not prone to foreign currency risks as on the date of balance sheet.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The following Table shows the blend of Company's Fixed & Floating Rate borrowings in Indian Rupee:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans in Rupees			
a) Fixed Rate	-	34,566,249	43,351,553
b) Floating Rate	230,709,279	210,970,507	180,872,003
Total	230,709,279	245,536,756	224,223,556

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

Interest Rate Sensitivity :

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Change in basis Points	25	25	25
Effect on profit / (loss) before tax	(576,773)	(527,426)	(452,180)
Change in Basis Points	-25	-25	-25
Effect on profit / (loss) before tax	576,773	527,426	452,180

2) Credit Risk

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Bank Guarantees/Letter of Credits/part advance payments/post dated cheques. The Outstandings of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Upto 6 Months	184,917,895	194,520,283	164,506,612
Above 6 months	48,705,141	32,268,473	20,872,955
Grand Total	233,623,035	226,788,756	185,379,567

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

S. No.	Particulars	Carrying Amt.	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
1	As on 31st March, 2018					
	- Borrowings	271,780,011	230,709,279	41,070,732	-	271,780,011
	- Trade Payables	140,915,178	140,915,178	-	-	140,915,178
	- Other Liabilities*	42,528,268	42,528,268	-	-	42,528,268
	Total	455,223,457	414,152,725	41,070,732	-	455,223,457
2	As on 31st March, 2017					
	- Borrowings	245,536,756	245,536,756	-	-	245,536,756
	- Trade Payables	137,309,929	137,309,929	-	-	137,309,929
	- Other Liabilities*	27,315,348	27,315,348	-	-	27,315,348
	Total	410,162,033	410,162,033	-	-	410,162,033
3	As on 1st April, 2016					
	- Borrowings	224,223,556	224,223,556	-	-	224,223,556
	- Trade Payables	93,324,646	93,324,646	-	-	93,324,646
	- Other Liabilities*	25,486,448	25,486,448	-	-	25,486,448
	Total	343,034,650	343,034,650	-	-	343,034,650

* Includes Government dues

31 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash & cash Equivalents.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	271,780,011	245,536,756	224,223,556
Less: Cash & Cash Equivalents(Including Current Investments)	4,702,486	4,014,135	3,175,135
Net debt	267,077,525	241,522,621	221,048,421
Equity Share Capital	167,632,330	167,632,330	166,743,030
Other Equity	162,893,157	126,414,592	105,734,272
Total Capital	330,525,487	294,046,922	272,477,302
Capital & Net debt	597,603,012	535,569,543	493,525,723
Gearing Ratio	44.69%	45.10%	44.79%

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

32 Fair Value of Financial Assets & Liabilities

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
A Financial Assets						
(i) At fair value through Profit & Loss						
Investments						
a) IDBI Shares	208,080	208,080	216,288	216,288	199,872	199,872
b) Trade Receivables	233,623,035	233,623,035	226,788,756	226,788,756	185,379,567	185,379,567
Total	233,831,115	233,831,115	227,005,044	227,005,044	185,579,439	185,579,439
A Financial Liabilities						
(i) At Amortised Cost						
Fully Convertible Debentures	41,070,732	41,070,732	-	-	-	-
Total	41,070,732	41,070,732	-	-	-	-

Fair Valuation Techniques

1. Fair Value of Investments in quoted shares are based on the quoted market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected credit losses of these receivables.
3. As per Ind AS 109 - Financial Instruments, Fully Convertible Debentures issued for Rs.4,50,00,000/- during the year are convertible into Equity Shares. The same are reflected at fair value calculated on the basis of present value of instrument using RBI rate as on the reporting date.

33 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserves in equity is shown below

Retained Earnings

	As at March 31, 2018	As at March 31, 2017
Remeasurement gains/(Losses) on defined benefit plans	(489,547)	127,070
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	161,859	(42,013)
Impact on account of Transfer from Deferred Revenue relating to Fully convertible debentures	77,359	-
	(250,329)	85,057

34 Share-based payments

Description of share based payments arrangements

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. During the year ended 31 January, 2013, the Company granted stock options to certain employees of the Company.

A Suditi Employee Stock Option Plan 2011 (SUDITI ESOP 2011)

Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company in the year January 2013. Further the Company has also granted another 124605 options to the eligible Employees in 15th February 2017. The Company has the following share-based payment arrangements for employees.

Movements during the year

The following table illustrates the number and fair price of, and changes in, share options during the year. Excise price is fixed at face value of ₹10/- each.

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Particulars	31-Mar-18				31-Mar-17			
	Grant of Options		Grant of Options		Grant of Options		Grant of Options	
	I		II		I		II	
	Number	Fair price	Number	Fair price	Number	Fair price	Number	Fair price
Outstanding at the beginning of the year	143270	52.30	124605	52.30	154115	58.32	124605	58.32
Options exercised during the year	-	-	-	-	88930	58.32	-	-
Expired/lapsed during the year	18160	52.30	8825	52.30	-	-	-	-
Outstanding at the end of the year	125110	-	115780	-	65185	-	124605	-
Exercisable at the end of the year	115510	-	115780	-	65185	-	124605	-

The fair values of options granted under the plan were determined using Black-Scholes pricing module that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

Particulars	31-Mar-18		31-Mar-17	
	Options vested	Options vested and unexercised	Options vested and exercised	Options to be vested
Number of options	Nil	231,290	88,930	189,790
Fair value on grant date (₹)	Nil	First grant ₹ 7.68 Second grant ₹ 60.46	First grant ₹ 7.68 Second grant ₹ 60.46	First grant ₹ 7.68 Second grant ₹ 60.46
Share price at grant date (₹)	Nil	First grant ₹ 7.68 Second grant ₹ 68.40	First grant ₹ 7.68 Second grant ₹ 68.40	First grant ₹ 7.68 Second grant ₹ 68.40
Fair value at exercise date (₹)	Nil	Nil	27.85	Nil
Exercise price (₹)	Nil	10	10	10
Expected volatility	3.15%	3.15%	4.66%	4.66%
Expected life	3 years	3 years	3 years	3 years
Expected dividends	5%	5%	5%	5%
Risk-free interest rate (based on government bonds)	7.42%	7.42%	7.70%	7.70%

Note: In the case of First grant since the market price was lower than the Exercise price (face value), fair value calculations on grant date are not separately computed.

Particulars of Scheme

Name of scheme	Suditi Employee Stock Option Plan 2011																							
Vesting conditions	First grant of 350800 options made on 31/01/2013 and the second grant of 124605 options made on 15/02/2017. The schedule of the vesting is as follows:																							
	<table border="1"> <thead> <tr> <th rowspan="2">Graded vesting schedule</th> <th colspan="2">Percentage of options granted</th> </tr> <tr> <th colspan="2">Grant of Options</th> </tr> <tr> <td></td> <th>I</th> <th>II</th> </tr> </thead> <tbody> <tr> <td>1st Anniversary of the Grant Date</td> <td>10%</td> <td>100%</td> </tr> <tr> <td>2nd Anniversary of the Grant Date</td> <td>15%</td> <td>N.A.</td> </tr> <tr> <td>3rd Anniversary of the Grant Date</td> <td>20%</td> <td>N.A.</td> </tr> <tr> <td>4th Anniversary of the Grant Date</td> <td>25%</td> <td>N.A.</td> </tr> <tr> <td>5th Anniversary of the Grant Date</td> <td>30%</td> <td>N.A.</td> </tr> </tbody> </table>	Graded vesting schedule	Percentage of options granted		Grant of Options			I	II	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.
Graded vesting schedule	Percentage of options granted																							
	Grant of Options																							
	I	II																						
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.																						
Exercise period	Stock options can be exercised within a period of 5 years from the date of vesting.																							
Number of share options	240,890																							
Exercise price	10																							
Method of settlement	Equity																							
Fair value on the grant date	First grant ₹ 7.68 Second grant ₹ 60.46																							
Remaining life as on 31 March 2018	2 year																							
Remaining life as on 31 March 2017	3 year																							

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

		As at 01st April, 2017		As at 01st April, 2017		
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.	
36	Opening 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, 2018		For the year ended 31st March, 2017
			Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
37	Closing Stock					
1.	Yarn	Kgs	24,840	5,679,879	21,945	5,293,937
2.	Grey fabric	Kgs	9,155	2,031,796	7,196	1,724,348
3.	Chemicals			1,477,153		1,792,547
4.	Stores, Spares & Other items			5,479,009		5,801,919
5.	Packing Materials			952,934		660,517
6.	Dyes			1,339,382		1,576,014
7.	Stock in trade	Kgs	-	-	-	-
		Pcs	-	-	-	-
8.	Work in Progress	Kgs	45,035	14,985,876	492,989	3,034,621
		pcs	430,641	4,155,214	70,886	14,557,600
9.	Finished Goods					
	Finished Fabric	Kgs	130,125	58,181,143	293,561	132,046,431
	Finished Garments	Pcs	442,310	207,756,517	288,092	129,264,824
				302,038,903		295,752,758
38	Sales					
1.	Processed Fabric	Kgs	3,139,290	582,977,367	3,214,204	581,189,813
2.	Ready Made Garments	Pcs	909,355	186,847,011	560,691	92,414,214
3.	Garments & Apparels (Retail Division)	Pcs	426,109	206,544,054	411,374	372,894,904
4.	Trading Sales - Fabric & Others	Mtrs		-		-
				976,368,431		1,046,498,931
39	Purchases of Stock-in-Trade					
1.	Purchases - Fabric & Others	Mtrs	-	-	-	-



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
40 CIF Value of Imports				
Components and Spare Parts		671,675		2,596,147
Capital Goods		-		-
41 Expenditure in Foreign Currency				
Travelling		285,325		303,250
Others		-		-
42 Earnings in Foreign Exchange				
FOB Value of Exports		-		361,069

43 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, 2018 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:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Receivables				
US Dollar	-	-	-	-
Payables #	-	-	-	-

There is no amount payable in foreign currency outstanding as on 31st March, 2018.

44 Employee Benefits

Gratuity:

The Company has a defined benefit gratuity plan governed by the Payments of Gratuity Act, 1972. Every employee who has completed five years or more of services is eligible for gratuity on separation at 15 days salary (last drawn salary) for each completed year of service. The Company has formed a Gratuity Trust to which contribution is made and an insurance policy is taken by the trust, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset. The Company makes a provision of unfunded liability based on actuarial valuation in the Balance Sheet as part of employee cost.

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 31st March, 2018		For the year ended 31st March, 2017	
	Amt. in Rs.		Amt. in Rs.	
(i) Contribution to Provident Fund	2,714,299		2,886,820	
(ii) Contribution to Employees' State Insurance Scheme	1,022,348		898,972	
(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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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate (per annum)	7.65%	7.65%	7.15%	7.15%
(b) Rate of increase in Compensation Levels	5.00%	5.00%	5.00%	5.00%
	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	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	2,148,686	6,187,082	1,919,130	5,628,378
(b) Interest Cost	147,649	417,916	136,562	402,926
(c) Past Service Cost	-	79,091	-	-
(d) Current Service Cost	460,463	684,735	341,689	693,826
(e) Benefits Paid	(167,331)	(684,209)	(172,178)	(439,962)
(f) Actuarial (Gain)/Loss	(602,310)	552,548	(76,517)	(98,086)
(g) Closing Present Value of Obligation	1,987,157	7,237,163	2,148,686	6,187,082
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets	-	3,980,467	-	4,086,966
(b) Expected Return on Plan Assets	-	284,603	-	304,479
(c) Actuarial Gain/(Loss)	-	63,001	-	28,984
(d) Employers' Contributions	-	1,165,576	-	-
(e) Benefits Paid	-	(684,209)	-	(439,962)
(f) Closing Fair Value of Plan Assets	-	4,809,438	-	3,980,467
(iii) Amount recognised in the Balance Sheet				
(a) Present Value of Obligation as at the year end	1,987,157	7,237,163	2,148,686	6,187,082
(b) Fair Value of Plan Assets as at the year end	-	4,809,438	-	3,980,467
(c) (Asset)/Liability recognised in the Balance Sheet	1,987,157	2,427,725	2,148,686	2,206,615
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	460,463	684,735	341,689	693,826
(b) Past Service Cost	-	79,091	-	-
(c) Interest Cost	147,649	417,916	136,562	402,926
(d) Expected Return on Plan Assets	-	(284,603)	-	(304,479)
(e) Net Actuarial (Gain)/Loss	(602,310)	-	(76,517)	-
Total Expenses recognised in the Statement of Profit and Loss	5,802	897,139	401,734	792,273

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.

45 Related Party Disclosures

Related parties with whom the company had transactions during the year

- Key Management Personnel
 - Mr.Pawan Agarwal - Chairman and Managing Director



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

- 2. Relatives of Key Management Personnel:
 - 1. Mr.Anand Agarwal (Brother)
 - 2. Mr.Rajendra Agarwal (Brother)
 - 3. Mrs.Pramila Agarwal (Wife of Anand Agarwal)
 - 4. 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.
 - 7. SAA & Suditi Retail Pvt. Ltd.

Disclosure of transactions between the company and related parties

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal	2,599,824	2,100,000
	2,599,824	2,100,000
b) Enterprises under Common control of the Promoters		
a) Sale of Goods/Related Services		
1. Intime Knits Pvt. Ltd.	56,956,264	19,346,924
2. BLR Knits Pvt. Ltd.	13,792	12,048
3. Suditi Design Studio Ltd.	8,560,618	14,918,783
4. SAA & Suditi Retail Pvt. Ltd.	108,029	-
b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	288,169	297,607
2. BLR Knits Pvt. Ltd.	-	-
c) Services Received		
1. Intime Knits Pvt. Ltd.	-	50,527
2. Black Gold Leasing Pvt. Ltd.	9,320,003	8,747,947
3. R. Piyarellal Pvt. Ltd.	1,780,829	1,056,820
4. BLR Knits Pvt. Ltd.	-	11,579
d) Balance Outstanding as at the year end		
1. BLR Knits Pvt. Ltd. (Receivable)	207,452	461,091
2. Intime Knits Pvt. Ltd. (Net Receivable)	1,940,584	708,495
Intime Knits Pvt. Ltd. (Net Payable)	628,633	22,285
3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	30,381,466	30,381,466
4. Black Gold Leasing Pvt. Ltd. (Net Payable)	985,368	658,891
5. R. Piyarellal Pvt. Ltd. (Payable)	1,689,360	305,177
6. Suditi Design Studio Ltd (Receivable)	6,359,759	9,922,590
7. SAA & Suditi Retail Pvt. Ltd. (Receivable)	701,265	-

46 Leases

(I) Disclosures for Finance Leases

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

(II) Disclosures for Operating Leases

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Disclosures in respect of Premises taken on lease.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	2,590,680	4,392,206
(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	-	-

47 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, 2018	For the year ended 31st March, 2017
Profit for the year (Amt. in Rs.)	33,596,519	21,190,357
Weighted average number of Shares for Basic Earnings per Share	16,763,233	16,763,233
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	240,890	65,185
Add: Effect of Dilutive Fully Convertible Debentures	562,500	-
Weighted average number of Shares for Diluted Earnings per Share	17,566,623	16,828,418
Earnings per Share (Rs. per Equity Share of Rs. 10 each)		
Basic	2.00	1.26
Diluted	1.91	1.26



	As at 31st March, 2018		As at 31st March, 2017	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
48 Contingent Liabilities				
(a) Claims against the company not acknowledged as debts				
(i) Sales tax/ CST / VAT matters	44,518,890		35,703,384	
(ii) Excise matters	-		-	
(iii) Income tax matters	-		-	
		44,518,890		35,703,384
(b) Bond/Guarantee given to any Government Department or Corporation				
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	-		3,769,310	
		-		3,769,310
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 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).				

Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

49 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)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part A - Subsidiaries

Sr. No.	Name of Subsidiary	The date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if difference from the holding company's reporting period	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments in Subsidiary Investment	Revenue from Operations	Profit Before Tax	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share Holding	(Amount Rs. in Lacs)	
																Total	% of Share Holding
1	Suditi Design Studio Limited	Incorporated by Suditi Industries Limited (23/03/2015)	Subsidiary follows same accounting period	INR	87	(41.39)	1713.20	1,667.59	-	685.40	(19.69)	-	(19.69)	-	98.85		
2	Suditi Sports Apparel Limited	Incorporated by Suditi Industries Limited (18/03/2015)	Subsidiary follows same accounting period	INR	5	(3.67)	1.73	0.40	-	-	(0.49)	-	(0.49)	-	80.00		

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

Name of Associates or Joint Ventures	SAA & Suditi Retail Pvt. Ltd.
1. Latest Audited Balance Sheet Date	30-05-18
2. Date on which the Associate or Joint Venture was associated	19-09-17
3. Shares of Associate or Joint Ventures held by the Company on the year end	
No. 50000	
Amount of Investment in Associates or Joint Venture	500000
Extent of Holding (in percentage)	50%
4. Description of how there is significant influence	50% of the holdings is held by the Company & 50% of Board Members are also nominated by the Company
5. Reason why the Associate/Joint Venture is not consolidated	Consolidated as per Equity method
6. Networth attributable to shareholding as per latest Audited Balance Sheet	Nil
7. Profit or Loss for the year	(3416938)
i Considered in Consolidation	Full
ii Not Considered in Consolidation	N.A.
1. Names of Associates or Joint Ventures which are yet to commence operations	Nil
2. Names of Associates or Joint Ventures which have been liquidated or sold during the year.	Nil

**Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018**

50 The previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period presentation.
Signatures to Notes 1 to 50

The accompanying notes are an intergral part of the standalone financial statements.

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial

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Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

FIRST TIME ADOPTION OF IND AS

Ind AS 101 requires that all Ind AS effective for the first Ind AS financial statements, be applied consistently and retrospectively for all fiscal years presented. However, this standard has some exception and exemption to this general requirement in specific cases.

Exceptions to retrospective application of other Ind AS.

Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. The Company has not made any changes to estimates considered in accordance with Previous GAAP.

Initial analysis indicates the following areas as accounting estimates. The Company will create a comprehensive list of all the estimates and analyse those estimates to identify any differences which needs to be considered.

Evaluation of Actuarial Valuations:

The Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined on the basis of actuarial valuation carried out at each balance sheet date using the Projected Unit Credit Method. The assumptions considered in actuarial valuation include future salary increases, inflation, seniority, promotion and other factors such as supply and demand in the employment.

Estimates on Bad Debt Allowance:

The company has significant trade receivables from its customers relating to various product sales. For assessing the expected credit loss, management needs to group the trade receivables from different segments and estimate the probability of default and loss given default.

Evaluation of Depreciation Policy:

Under Indian GAAP, depreciation has been provided on the straight-line method as per the estimated useful life as prescribed in Schedule II to the Companies Act, 2013. The Company will need to perform an assessment of whether such useful life is appropriate under Ind AS. The residual value of assets will also need to be estimated and considered in the calculating the depreciation charge going forward.

Fair value of financial and non-financial items:

The company may need to calculate fair values of financial items for the purpose of disclosures under Ind AS.

Inventories:

The company estimates the net realisable values of Inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Ind AS 109-Financial Instruments (Classification and measurement financial assets):

Classification and measurement shall be made on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured the financial assets on the date of transition.

Exemptions from retrospective application of Ind AS

Ind AS 16 Property, Plant and Equipment :

Company opted to measure Property, Plant and Equipment (PPE) at its previous GAAP carrying value i.e all the PPE shall be measured at previous GAAP carrying value i.e. the option to measure at fair value or reconstructed amount is not available. Important to note that deemed cost needs to be adjusted with the decommission liability (if any), however there is no decommissioning liability applicable to the company.

Ind AS 109-Financial Instruments:

An irrevocable option to designate a financial instrument as a financial asset or financial liability "at fair value through profit or loss" at the date of transition and designation of equity instrument at FVTOCI at the date of transition. This exemption is available for financial assets and financial liabilities designated at FVTPL; and the equity instruments that are designated at FVTOCI. Since the Company has only investments in equity shares of other companies, which can't be classified as FVTOCI as per Ind AS 109. Company would not have option to designate any instrument at FVTOCI.

Ind AS 102-Share based Payments:

A first-time adopter has given a choice to apply Ind AS 102 Share-based Payment to equity instruments that vested before date of transition to Ind-AS's. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments, determined at the measurement date, as defined in Ind AS 102. For all grants of equity instruments to which Ind AS 102 has not been applied a first-time adopter shall nevertheless disclose the information required by paragraphs 44 and 45 of Ind AS 102. If a first-time adopter modifies the terms or conditions of a grant of equity instruments to which Ind AS 102 has not been applied, the entity is not required to apply paragraphs 26–29 of Ind AS 102 if the modification occurred before the date of transition to Ind-ASs. The Company has opted to apply this exemption for shared-payment payments that were vested before 1 April 2016.



Summary of significant accounting policies and other explanatory information on the Standalone Financial Statement for the year ended 31st March, 2018

Ind AS 27-Separate Financial Statements :

Ind AS 27 provides two options i.e. cost or fair value (as per Ind AS 109) for measurement of investment in subsidiaries, associates and joint ventures. Company may opt to measure these investment at fair value in accordance with Ind AS 109. Further, fair value measurement may increase the volatility in profit or loss and MAT provision can also be attracted (if FVTPL is opted). Thus investments in associates are carried at deemed cost i.e. carrying amount as per Indian GAAP as on transition date.

51 Reconciliation of Equity

1. The reconciliation of the Net Worth as per Ind AS and previous Indian GAAP for the year ended 31st March 2017 & 1st April'2016 is as follows:-

Reconciliation of net worth		01.04.16	31.3.17
S. No	Particulars	Amt.	Amt.
A	Total Equity as per Indian GAAP	267,992,164	293,794,773
	GAAP adjustments:		
1	Impact on account of reversal of proposed dividend (including tax)	3,541,539	-
2	Impact of recognising unamortised issue expenses in equity	-382,778	-
3	Impact of fair valuation of investment in equity shares of IDBI	-34,128	-
4	Impact of recognising expected credit losses	-53,628	-35,897
5	Impact of accounting for ESOP as per the Fair value method	-	-170,226
6	Deferred tax impacts	1,414,133	458,272
B	Total - GAAP adjustments	4,485,138	252,149
A+B	Total Equity as per Ind AS	272,477,302	294,046,922

2. Explanations for the reconciliations of Balancesheet items as previously reported under previous GAAP to IND AS

A. Amortisation of Land

Under IND AS , Leasehold Land has been shown at amortised cost

B. Reclassification of Security Deposits

Out of total security deposits , Fixed Deposits with Banks & Securities deposit of Statutory deposits are reclassified to Financial Assets & Other Non Current Assets.

C. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments have resulted in temporary differences which has led to recognition of deferred taxes.

D. Amortisation of Right Issue Expenses

As per IND AS , the total amount of Right Issue expenses has been written to Profit & Loss account.

E. Investment in Equity Shares

As per IND AS , Current Investments in IDBI shares are shown at fair value through Profit & Loss account.

F. Expected credit losses (ECL) for trade receivables

Under the Indian GAAP, provision for bad debt was recognised for doubtful debtors on a case to case basis. However, under Ind AS, the Company assesses impairment based on the ECL model for measurement and recognition of impairment loss on the financial assets based on the data for 5 past years.

G. Reclassifications of Financial Assets

As per IND AS, Financial Assets are reclassified to Other Current Assets & Current Tax Assets.

H. Reclassifications of Other Financial Liabilities

As per IND AS, Other Current Liabilities & Provisions are reclassified to Other Financial Liabilities .

I. Proposed Dividend

Under previous GAAP , Proposed Dividend was recognised as liability in the period to which it was related. Under IND AS , Proposed dividend is recognised as liability in the period in which it is approved by Shareholders.

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Suditi Industries Limited - Standalone Results

Ind AS Opening Balance Sheet as at 01 April 2016

(in Rupees)

Particulars	Reference Explanation	Indian GAAP as at 1st April'2016	Adjustments	As per Ind AS as at 1st April'2016
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		115,506,674	-	115,506,674
(b) Intangible assets		1,331,208	-	1,331,208
(c) Intangible assets under development		2,078,378	-	2,078,378
(d) Financial assets				
(i) Investments		9,000,000	-	9,000,000
(ii) Loans	B	41,744,430	(2,198,245)	39,546,185
(iii) Other non-current financial assets	B	-	1,985,745	1,985,745
(e) Deferred tax assets	C	1,253,443	1,414,133	2,667,576
(f) Other non-current assets	B & D	382,778	(170,278)	212,500
		171,296,911	1,031,355	172,328,267
(2) Current assets				
(a) Inventories		217,664,005	-	217,664,005
(b) Financial Assets				
(i) Current investments	E	234,000	(34,128)	199,872
(ii) Trade receivables	F	185,433,195	(53,628)	185,379,567
(iii) Cash and bank balances		2,975,263	-	2,975,263
(iv) Loans	G	29,319,293	(28,954,713)	364,580
(v) Other current financial assets		-	-	-
(c) Other current assets	G	11,106,228	11,271,840	22,378,068
(d) Current tax assets	G	-	17,682,873	17,682,873
		446,731,984	(87,756)	446,644,228
Total Assets		618,028,895	943,599	618,972,495
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		166,743,030	-	166,743,030
(b) Other Equity		101,249,134	4,485,138	105,734,272
	1	267,992,164	4,485,138	272,477,302
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		43,351,553	-	43,351,553
(ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Other non-current liabilities		923,700	-	923,700
		44,275,253	-	44,275,253
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		180,872,003	-	180,872,003
(ii) Trade payables		93,324,646	-	93,324,646
(iii) Other financial liabilities	H	-	13,655,529	13,655,529
(b) Other current liabilities	H	18,043,056	(7,135,837)	10,907,219
(c) Provisions	H & I	13,521,773	(10,061,231)	3,460,542
(d) Current tax liabilities (Net)		-	-	-
		305,761,478	(3,541,539)	302,219,939
Total Equity and Liabilities		618,028,895	943,599	618,972,495



Suditi Industries Limited - Standalone Results

Ind AS Balance Sheet as at 31 March 2017

(in Rupees)

Particulars	Reference Explanation	Indian GAAP as at 31st March'2017	Adjustments	As per Ind AS as at 31st March'2017
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	A	103,691,279	(22,967)	103,668,312
(b) Capital work-in-progress		2,262,932	-	2,262,932
(c) Investment Property			-	-
(c) Goodwill			-	-
(b) Intangible assets		996,251	-	996,251
(c) Intangible assets under development		2,078,378	-	2,078,378
(e) Financial assets				
(i) Investments		9,000,000	-	9,000,000
(ii) Trade Receivables				
(ii) Loans	B	41,575,809	(2,852,623)	38,723,186
(iii) Other non-current financial assets	B	-	2,722,623	2,722,623
(e) Deferred tax assets (net)	C	1,027,806	339,198	1,367,004
(g) Other non-current assets	B	-	130,000	130,000
		160,632,455	316,231	160,948,685
(2) Current assets				
(a) Inventories		295,752,758	-	295,752,758
(b) Financial Assets				
(i) Investments				
(i) Current investments	E	216,288	-	216,288
(ii) Trade receivables	F	226,852,838	(64,082)	226,788,755
(iii) Cash and bank balances		3,797,847	-	3,797,847
(iii) Bank balances other than (ii) above				
(iv) Loans	G	14,370,885	(14,317,725)	53,160
(v) Other current financial assets		-	-	-
(c) Other current assets	G	6,689,038	12,978,149	19,667,187
(d) Current tax assets	G	-	1,339,576	1,339,576
		547,679,653	(64,082)	547,615,571
Total Assets		708,312,108	252,148	708,564,256
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		167,632,330		167,632,330
(b) Other Equity		126,162,443	252,149	126,414,592
	1	293,794,773	252,149	294,046,922
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		34,566,249	-	34,566,249
(ii) Trade payables				
(ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Other non-current liabilities		4,173,700	-	4,173,700
		38,739,949	-	38,739,949
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		210,970,507	-	210,970,507
(ii) Trade payables		137,309,929	-	137,309,929
(iii) Other financial liabilities	H	-	19,846,412	19,846,412
(b) Other current liabilities	H	10,078,113	(6,782,877)	3,295,236
(c) Provisions	H	17,418,836	(13,063,535)	4,355,301
(d) Current tax liabilities (Net)		-	-	-
		375,777,385	-	375,777,385
Total Equity and Liabilities		708,312,108	252,148	708,564,256

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Suditi Industries Limited - Standalone Results

Statement of profit and loss for the year ended 31 March 2017

(in Rupees)

Particulars	Reference Explanation	As per previous GAAP	Adjustments	As per Ind AS
Revenue from operations	A	1,048,163,542	(232,551,184)	815,612,357
Other Income		2,930,025	-	2,930,025
Total Income		1,051,093,567	(232,551,184)	818,542,382
Expenses				
Excise Duty expenses	A	381,173		381,173
Cost of Material consumed		484,150,512	-	484,150,512
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(83,619,904)	-	(83,619,904)
Employee benefits expense	B & C	72,704,076	(43,156)	72,660,920
Finance costs		29,049,691	-	29,049,691
Depreciation and amortization expense		17,890,811	-	17,890,811
Other expenses	A & D	494,065,138	(232,900,541)	261,164,597
Total Expenses		1,014,621,498	(232,943,697)	781,677,800
Profit/(loss) before tax		36,472,069	392,513	36,864,582
Tax Expense:				
(1) Current Tax		14,401,644		14,401,644
(2) Deferred tax	E	225,637	1,132,001	1,357,638
Profit/(loss) for the period (IX+XII)		21,844,788	(739,488)	21,105,300
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	B		127,070	127,070
(ii) Income tax relating to items that will not be reclassified to profit or loss			(42,013)	(42,013)
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		21,844,788	(654,431)	21,190,357
Earnings per equity share :				
(1) Basic		1.30		1.26
(2) Diluted		1.30		1.26
Number of Shares Used for Computing Earning Per Share				
Basic		16,763,233		16,763,233
Diluted		16,828,418		16,828,418



The reconciliation of the Net Profit as per Ind AS and previous Indian GAAP for the year ended 31st March 2017 is as follows:-

1 Net Profit

Particulars	Year ended 31/03/2017
Net profit after tax reported under Indian GAAP	21,844,788
Amortisation of Share issue expenses	382,778
Amortisation of Land	(22,967)
Provision of Bad debt as per ECL Method	(10,454)
Changes due to Employee Compensation Expenses	43,156
Deferred Tax adjustment	(1,132,001)
Other Comprehensive Income (net of expenses)	85,057
Net profit after tax reported under Ind AS	21,190,357

2 Explanations for the reconciliations of Profit & Loss items as previously reported under previous GAAP to IND AS.

A. Sale of Goods

Under Indian GAAP, Sale of Goods was presented after setting off excise duty. However, under IND AS, sale of goods includes excise duty & separately presented on the face of Balancesheet. Also, As per IND AS, all incentives like volume discounts, early settlement discounts and any other incentive discounts directly related to sales are netted off from revenue.

B. Defined benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, were charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefits expense is reduced by such amount and a corresponding adjustment to the defined benefit plans has been recognised in OCI (net of tax) in "Other Equity".

C. Share-based Payments

Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. The Company has used the exemption of fair valuing only those options which remained unvested on the date of transition. The Company has used Black & Scholes Method for determining the amount to be transferred to Employee Stock Reserve.

D. Expected credit losses (ECL) for trade receivables

Under the Indian GAAP, provision for bad debt was recognised for doubtful debtors on a case to case basis. However, under Ind AS, the Company assesses impairment based on the ECL model for measurement and recognition of impairment loss on the financial assets based on the data for 5 past years.

E. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments have resulted in temporary differences which has led to recognition of deferred taxes.

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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") and its joint venture comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Statement of Changes in Equity 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 (including Other Comprehensive Income), consolidated cash flows and consolidated Changes in Equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') 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 and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of the adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the paragraph below on Other Matters 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 and based on the report of the other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs of the Group and its joint venture as at 31st March, 2018, their consolidated "profit" (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of Rs. 1714.93 lakhs and net assets of Rs. 46.94 lakhs as at 31st March 2018, total revenue of Rs. 687.45 lakhs and net cash outflows amounting to 12.10 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of Rs. 34.17 lakhs for the year ended 31st March 2018, as considered in the consolidated financial statements, in respect of the joint venture company, whose financials have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies and joint venture company, is based solely on the reports of the other auditors.



The Holding Company had prepared separate sets of consolidated financial statements for the year ended 31st March 2016 and 31st March 2017 in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India, which were audited by the predecessor auditor whose report dated May 29, 2017 expressed an unmodified opinion. These consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited by us and by other auditors in case of the standalone financial statements of the two subsidiaries and one joint venture whose reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far it related to the amounts and disclosures included in respect of these subsidiaries and joint venture are based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and joint venture, we report 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and of its joint venture company covered under the Act, none of the directors of the Group company and joint venture company is disqualified as on 31st March, 2018 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 companies and its

joint venture company covered under the Act 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 based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture 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. 47.1 to the consolidated financial statements.
 - ii) The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture company incorporated in India.

For **Chaturvedi & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(Khyati M Shah)
Partner
Membership No. 117510

Place : Mumbai
Date: May 30, 2018

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 2018, we have audited the internal financial controls over financial reporting of **Suditi Industries Ltd.**, (hereinafter referred to as "the Holding Company"), its subsidiary companies and joint venture company, 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, its subsidiary companies and joint venture company, 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

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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 and based on the consideration of the reports of the other auditors on internal financial control over financial reporting and to the best of our information and according to explanations given to us, the Holding Company, its subsidiary companies and joint venture company, 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, 2018, 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".

Other Matters

We did not audit the IFCFR in so far as it related to joint venture company, which is a company covered under the Act, in respect of which, the Group's share of net loss of Rs. 34.17 lakhs for the year ended 31st March, 2018 has been considered in the consolidated financial statements. The IFCFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCFR for the Holding Company, its subsidiary companies and joint venture company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and joint venture is based solely on the report of the auditor of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Chaturvedi & Partners**
Chartered Accountants
(Firm Registration No.: 307068E)

(Khyati M Shah)
Partner
Membership No. 117510

Place : Mumbai
Date: May 30, 2018



Suditi Industries Limited - Consolidated Results
Balance Sheet as at 31-03-2018

PARTICULARS	Notes	As at		
		March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
1 Non-current assets				
a. Property, Plant and Equipment	1	104,244,787	104,765,426	115,953,290
b. Capital work-in-progress		16,631,456	2,262,932	-
c. Other Intangible assets	1	634,678	1,209,542	1,690,125
d. Intangible assets under development		2,078,378	2,078,378	2,078,378
e. Financial Assets				
i. Investments				
(a) Investments in Subsidiaries		-	-	-
(b) Investments in Joint Ventures		-	-	-
ii. Loans	2	88,388,243	39,738,524	42,242,118
iii. Others financial assets	3	2,204,173	2,722,623	1,985,745
f. Deferred tax assets (net)	4	2,165,160	1,367,004	2,667,576
g. Other non-current assets	5	574,867	626,700	262,500
Total non-current assets		216,921,742	154,771,128	166,879,732
2 Current assets				
a. Inventories	6	370,851,427	328,227,250	232,740,942
b. Financial Assets				
i. Other investments	7	208,080	216,288	199,872
ii. Trade receivables	8	325,714,967	299,566,799	209,149,390
iii. Cash and cash equivalents	9	4,668,460	4,170,969	3,636,580
iv. Loans	2	240,695	53,160	364,580
c. Current Tax Assets (Net)	10	298,268	1,339,576	17,682,873
d. Other Current Assets	5	26,819,900	18,566,361	22,524,544
Total current assets		728,801,797	652,140,403	486,298,781
Total assets		945,723,539	806,911,531	653,178,513
EQUITY AND LIABILITIES				
Equity				
a. Equity share capital	11	167,632,330	167,632,330	166,743,030
b. Other equity	12	155,091,421	123,813,291	102,970,160
Equity attributable to owners of the Company		322,723,751	291,445,621	269,713,190
Non-Controlling Interest		79,074	109,179	180,595
Total Equity		322,802,825	291,554,800	269,893,785
LIABILITIES				
1 Non-current liabilities				
a. Financial Liabilities				
i. Borrowings	13	41,070,732	34,566,249	43,351,553
b. Other non-current liabilities	14	26,170,651	27,843,700	7,948,700
Total non-current liabilities		67,241,383	62,409,949	51,300,253
2 Current liabilities				
a. Financial Liabilities				
i. Borrowings	15	292,326,728	228,495,580	190,872,003
ii. Trade payables	16	211,045,758	182,228,707	109,055,470
iii. Other financial liabilities	17	24,500,968	32,700,411	15,868,841
b. Provisions 18		5,170,972	5,491,621	3,696,797
c. Other current liabilities	19	22,634,904	4,030,464	12,491,365
Total current liabilities		555,679,330	452,946,783	331,984,476
Total liabilities		622,920,713	515,356,732	383,284,729
Total Equity and Liabilities		945,723,539	806,911,531	653,178,513
See accompanying notes to the financial statements				

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial

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Suditi Industries Limited - Consolidated Results Statement of profit and loss for the year ended March 31, 2018

PARTICULARS	Notes	As at March 31, 2018	As at March 31, 2017
I Revenue from operations	20	1,038,396,692	898,024,021
II Other Income	21	1,905,951	3,590,025
III Total Income (I + II)		1,040,302,643	901,614,046
IV Expenses			
Cost of materials consumed	22	600,393,224	540,105,622
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(42,513,308)	(101,017,458)
Excise duty on sale of goods		1,120,150	1,119,938
Employee benefits expense	24	95,205,744	93,641,549
Finance costs	25	33,488,210	30,952,514
Depreciation and amortisation expense	26	15,661,036	18,296,913
Other Expenses	27	290,355,790	281,579,457
Total Expenses (IV)		993,710,847	864,678,535
V Profit before tax (III - IV)		46,591,797	36,935,511
VI Tax expenses			
(1). Current tax		15,759,208	14,401,644
(2). Deferred tax		(996,320)	1,357,638
		14,762,888	15,759,282
VII Profit for the period (V- VI)		31,828,909	21,176,229
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(136,989)	156,253
b. Income tax relating to items that will not be reclassified to profit or loss		90,995	(50,730)
VIII Total other comprehensive income [a+b]		(45,994)	105,523
IX Share of loss in JV		(3,416,938)	-
X Total comprehensive income for the period (VII + VIII + IX)		28,365,977	21,281,752
XI Total comprehensive income for the period attributable to			
Owners of the Parent		28,396,083	21,287,714
Non-controlling Interest		(30,106)	(5,962)
		28,365,977	21,281,752
Earnings per equity share (for continuing operations):			
(1). Basic (in Rs.)		1.69	1.27
(2). Diluted (in Rs.)		1.61	1.26

See accompanying notes to the financial statements

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial



Suditi Industries Limited - Consolidated Results
Cash Flow Statement for the year ended March 31, 2018

(Rs. in lacs)

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Cash flows from operating activities		
Profit for the year	465.92	369.36
Adjustments for:		
Interest paid recognised in profit or loss	334.88	309.53
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	156.61	182.97
Share of profit of joint ventures /others	(34.17)	-
Prior period account		40.19
Amortisation of Rights Issue Expenses		-
Profit on sale of fixed assets		-
Loss on insurance claim		0.95
Reduction in Investment value	0.08	(0.16)
Deferred Revenue Included in OCI for the year	(0.77)	-
Employee's Compensation	59.22	30.55
	981.78	933.37
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(345.89)	(698.05)
(Increase)/decrease in amounts due from customers under construction contracts		
(Increase)/ decrease in inventories	(426.24)	(954.86)
(Increase)/decrease in other assets	9.96	(13.58)
Increase/ (Decrease) in Provisions	(3.21)	17.95
Increase/ (Decrease) in trade payables	288.17	735.84
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	65.49	83.71
Cash generated from operations	570.06	104.39
Income taxes paid	(157.59)	(144.02)
Net cash generated by operating activities	412.47	(39.63)
Cash flows from investing activities		
Payments to acquire financial assets	(289.45)	(86.30)
Proceeds on sale of financial assets	0.11	1.05
Movement in Long term loans and advances	(480.79)	14.03
Subsidy - Interest		(0.29)
Insurance claim received		8.09
Movement in Non Current Investments		
Net cash (used in)/generated by investing activities	(770.14)	(63.43)
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company		8.89
Proceeds from Non Current borrowings (Incl Deferred revenue)	450.00	-
Repayment of Non Current Borrowings	(345.66)	(87.85)
Proceeds from Current Borrowings	638.31	376.24
Movement in Other long term liabilities	(16.73)	158.76
Dividends paid on equity shares and convertible non-participating preference shares	(23.60)	(32.11)
Tax paid on Dividend	(4.80)	(5.99)
Interest paid	(334.88)	(309.53)
Net cash used in financing activities	362.63	108.41
Net increase in cash and cash equivalents	4.97	5.35
Cash and cash equivalents at the beginning of the year	41.71	36.37
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		
Cash and cash equivalents at the end of the year	46.68	41.71
See accompanying notes to the consolidated financial statements		

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Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under the Section 133 of the Companies Act, 2013 & Rules made thereunder.
- Previous year figures have been regrouped where necessary.

(Rs. in lacs)

	As at March 31, 2018	As at March 31, 2017
3. Cash and Cash Equivalents comprises of:		
Cash on Hand	4.70	6.18
Balances with Banks		
- Current Accounts	14.84	13.07
Earmarked Balances with Banks		
- Unpaid Dividend	27.14	22.45
Cash and Cash Equivalents in Cash Flow Statement	46.68	41.71

4. Amendment to Ind AS 7

The amendments to Ind AS Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

(Rs. in lacs)

	As at	Non-cash changes			As at
	March 31, 2017	Cash Flows	Fair value changes	Current/ Non-current classification	March 31, 2018
Borrowings - Non Current	345.66	(345.66)	-	-	-
Borrowings - Non Current FCD's	0.00	450.00	(39.29)	-	410.71
Other Non Current Financial Liabilities	278.44	(16.73)	-	-	261.71
Borrowings - Current	2284.96	638.31	-	-	2923.27

- The proceeds from borrowings include amount received against the issue of Fully Convertible Debentures aggregating to Rs.450 lacs which has been accounted as per fair value method prescribed in Ind AS 109. In the above statement it has been presented under financing activities.
- In the Cash Flow Statement, Investment made by the Company in the 50:50 Joint Venture M/s. SAA & Suditi Retail Pvt. Ltd. amounting to Rs.5 lacs is accounted as per Equity method.

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Statement of changes in Equity for the year ended 31st March, 2018.

a. Equity share capital

	Notes	Number of Shares	Amount in Rs.
Balance at April 1, 2016		16,674,303	166,743,030
Changes in equity share capital during the year 2016-17			
(a) Issue of equity shares under employee share option plan (Note)	11	88,930	889,300
Balance at March 31, 2017		16,763,233	167,632,330
Changes in equity share capital during the year 2017-18			
Balance at March 31, 2018		16,763,233	167,632,330

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

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Mumbai, 30th May, 2018

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Manoj Khemka
V.P.Accounts & Commercial

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Other Equity

Particulars	Notes	Reserves & Surplus				Amount in
		Securities Premium Reserve	Share based Payment reserve	Retained Earnings	Items of OCI that will not be reclassified to Profit & Loss	Rs.
Balance at April 1, 2016	12		2,097,094	99,580,494	1,292,572	102,970,160
Profit for the year				21,176,229		21,176,229
Other comprehensive income for the year, net of income tax					105,523	105,523
Total comprehensive income for the year		-	-	21,176,229	105,523	21,281,752
Recognition of share-based payments			895,147			895,147
Shares issued at premium		2,003,148				2,003,148
Impact on account of Deferred Tax				225,637		225,637
Impact on account of INDAS (P.Y)				(3,633,969)		(3,633,969)
Minority interest				71,416		71,416
Adjustment of Capital Reserve of Subsidiary						-
Balance at March 31, 2017		2,003,148	2,992,241	117,419,807	1,398,095	123,813,291
Profit for the year				33,846,848		33,846,848
Other comprehensive income for the year, net of income tax					(250,329)	(250,329)
Total comprehensive income for the year		-	-	33,846,848	(250,329)	33,596,519
Recognition of share-based payments			6,059,346			6,059,346
Dividend Paid				(2,360,000)		(2,360,000)
Dividend distribution tax paid				(480,244)		(480,244)
Impact on account of INDAS (P.Y)				2,264,245		2,264,245
Adjustment of Profit/Loss in Subsidiary				(1,783,496)		(1,783,496)
Adjustment of Capital Reserve of Subsidiary				(2,601,302)		(2,601,302)
Share of Loss in Joint Venture				(3,416,938)		(3,416,938)
Balance at March 31, 2018		2,003,148	9,051,587	142,888,920	1,147,766	155,091,421

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

1 Group overview

- (a) The Group, Suditi Industries Limited (SIL) (Parent Co) and its Subsidiaries majorly 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. The manufacturing facilities of the group are situated in India.

The Parent Company is a public limited Company domiciled and incorporated in India and its Shares are publicly traded on the Bombay Stock Exchange (BSE). The Registered Office of the Company is situated at Lower Parel - Mumbai - 400013.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on May 30, 2018.

Basis of Preparation

- (b) The consolidated financial statements consist of Suditi Industries Ltd (SIL), its subsidiaries and joint venture. Subsidiaries are those entities in which SIL directly or indirectly has interest more than 50% of the voting rights. The Company has adopted Equity Method of Accounting while Consolidating the Financial Results of its Joint Venture Company M/s. SAA & Suditi Retail Pvt. Ltd. as per Ind AS - 28 "Investments in Associates and Joint Ventures". In terms of the Joint Venture agreement executed by the Company with Project Anushka Sharma Lifestyle Pvt. Ltd., the Company has recognized the entire loss of the Joint Venture in the Consolidated Financial Statements net of Investment.

2

- a) The Consolidated Financial Statements comprises of audited Financial statements of Suditi Industries Limited (SIL) and the followings as on 31/03/2018

Name	Proportion of ownership interest		Financial Statements as on	For the period
	31-03-18	31-03-17		
Subsidiaries & Indirect Subsidiary				
Suditi Design Studio Limited	98.85%	98.85%	31-03-18	12 Months
Suditi Sports Apparels Limited	80%	80%	31-03-18	12 Months
Joint Venture				
Saa & Suditi Retail Private Limited	50%	-	31-03-18	Since 19 Sep, 2017

- b) The Financial Statements of the parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating Intra-group balances, Intra-group transactions and unrealised profits or losses in accordance with Ind AS 110 – "Consolidated Financial Statements". The deferred tax to be recognised for temporary differences arises from elimination of profits and losses resulting from intra group transactions.
- c) Non-controlling Interest represents the equity in a subsidiary not attributable, directly or indirectly to a Parent. Noncontrolling interest in the net assets of the subsidiaries being consolidated is identified and presented in the consolidated Balance Sheet separately from the equity attributable to the Parent's shareholders and liabilities. Profit or loss and each component of other comprehensive income are attributed to Parent and to non-controlling interest.
- d) The difference between the cost of investment and share of net assets in the subsidiaries is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) One of the Subsidiary i.e Suditi Design studio limited has not recognised deferred tax assets in its books as the Management does not consider it appropriate to account for the Net Deferred Tax Asset due to uncertainty of future profits. Accordingly, the same is not recognised in Consolidated Financial statements.
- f) The Accounting policies of the parent Company, its subsidiary and Joint Venture are largely similar.
- g) Significant Accounting policies and notes accompanying to financial statements of the Company and its subsidiaries are set out in their respective financial statements.

3 Significant accounting policies: The significant accounting policies to prepare consolidated financial statements are in uniformity with the standalone financial statements of the Company.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

1 Property, plant and equipment and capital work-in-progress

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Land (Leasehold)	1,619,223	1,619,223	1,642,190
Building	18,112,374	20,809,263	23,506,152
Plant & Machinery	22,187,407	25,008,738	28,556,415
Furniture and Fixtures	32,554,713	35,688,675	40,017,625
Office & Other Equipments	12,760,885	12,174,531	12,252,263
Computers	5,178,909	2,339,632	2,916,249
Electric Installation	9,590,374	5,329,588	6,079,092
Vehicles	2,240,903	1,795,777	983,305
	104,244,787	104,765,426	115,953,290
Capital work-in-progress	16,631,456	2,262,932	-
	120,876,243	107,028,358	115,953,290
Other intangible assets			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Carrying amounts of:			
Software	634,678	1,209,542	1,690,125
	634,678	1,209,542	1,690,125
Intangible assets under development	2,078,378	2,078,378	2,078,378
	2,713,056	3,287,920	3,768,503



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Property, Plant & Equipment:	Land	Building	Plant and	Furniture	Office & Computers	Electric	Vehicles	Total
	(Leasehold)		Machinery	and Fixtures	Other Equipments	Installation		
Gross Block								
Cost or Deemed Cost								
Balance at April 1, 2016	1,642,190	38,472,991	295,027,920	56,792,722	18,344,135	14,270,182	14,477,215	2,018,681
Additions		2,105,688		749,290	1,557,884	656,247	174,640	1,125,000
Disposals			26,466					26,466
Balance at March 31, 2017	1,642,190	38,472,991	297,107,142	57,542,012	19,902,019	14,926,429	14,651,855	3,143,681
Additions		221,102		1,864,927	2,239,324	4,269,846	5,193,956	787,170
Disposals				10,791				10,791
Balance at March 31, 2018	1,642,190	38,472,991	297,328,244	59,396,148	22,141,343	19,196,275	19,845,811	3,930,851
Accumulated depreciation and impairment								
Balance at April 1, 2016		14,966,839	266,471,505	16,775,097	6,091,872	11,353,933	8,398,123	1,035,377
Depreciation expenses for the year	22,967	2,696,889	5,626,899	5,078,240	1,635,617	1,232,864	924,144	312,528
Balance at March 31, 2017	22,967	17,663,728	272,098,404	21,853,337	7,727,489	12,586,797	9,322,267	1,347,905
Depreciation expenses for the year	-	2,696,889	3,042,432	4,988,098	1,652,970	1,430,569	933,171	342,044
Balance at March 31, 2018	22,967	20,360,617	275,140,837	26,841,435	9,380,459	14,017,366	10,255,437	1,689,948
Carrying amount								
Balance at April 1, 2016	1,642,190	23,506,152	28,556,415	40,017,625	12,252,263	2,916,249	6,079,092	983,305
Balance at March 31, 2017	1,619,223	20,809,263	25,008,738	35,688,675	12,174,531	2,339,632	5,329,588	1,795,777
Balance at March 31, 2018	1,619,223	18,112,374	22,187,407	32,554,713	12,760,885	5,178,909	9,590,374	2,240,903

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Other Intangible Assets

	Software	Trademark	Total
Gross Block			
Cost or Deemed Cost			
Balance at April 1, 2016	3,488,907	300,000	3,788,907
Additions	309,150	-	309,150
Disposals			
Balance at March 31, 2017	3,798,057	300,000	4,098,057
Additions			
Disposals			
Balance at March 31, 2018	3,798,057	300,000	4,098,057
Accumulated depreciation and impairment			Total
Balance at April 1, 2016	1,798,782	300,000	2,098,782
Depreciation expenses for the year	789,733		789,733
Balance at March 31, 2017	2,588,515	300,000	2,888,515
Depreciation expenses for the year	574,864		3,678,248
Balance at March 31, 2018	3,163,379	300,000	6,566,763
Carrying amount			Total
Balance at April 1, 2016	1,690,125	-	1,690,125
Balance at March 31, 2017	1,209,542	-	1,209,542
Balance at March 31, 2018	634,678	-	634,678

2 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<u>Non- Current</u>			
Unsecured, considered Good			
Security Deposits	85,596,433	36,946,714	39,450,308
Capital Advances	2,791,810	2,791,810	2,791,810
Total	88,388,243	39,738,524	42,242,118
<u>Current</u>			
Loans & Advances to Employees	240,695	53,160	364,580
Total	240,695	53,160	364,580

3 Other Non Current Financial Assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured considered good			
Fixed Deposit with Banks	2,204,173	2,722,623	1,985,745
Bank deposits with original maturity for more than 12 months			
Total	2,204,173	2,722,623	1,985,745

4 Deferred Tax Assets/(Liabilities)

The following is the analysis of deferred tax assets presented in the balance sheet:

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax assets	2,165,160	1,367,004	2,667,576
Total	2,165,160	1,367,004	2,667,576



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax Assets			
Related to Other Current Liabilities	-	84,716	84,716
Related to Short term provisions	-	1,231,053	1,643,957
Related to Plant, Property & Equipment	458,435	-	794,555
Related to Other Current assets	266,065	-	60
Related to Amortisation of Right Issue Expenses	-	-	126,558
Related to Provision for bad & doubtful debt (ECL Method)	21,680	21,188	17,731
Related to Actuarial (Gain) / Loss	119,846	-	-
Other Adjustments	-	505,487	-
Related to Amortisation on Fully convertible debentures	1,299,134	-	-
Total	2,165,160	1,842,444	2,667,576
Deferred tax Liabilities			
Related to Plant, Property & Equipment	-	(306,158)	-
Related to other Current assets	-	(712)	-
Related to Reversal of Deferred Tax on Right issue expenses	-	(126,558)	-
Related to Actuarial (Gain) / Loss	-	(42,013)	-
Total	-	(475,441)	-
Net deferred tax (liability) / asset	2,165,160	1,367,004	2,667,576
5 Other Assets			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non- Current			
Unsecured , Considered Good			
Prepaid Security Deposit	394,867	446,700	-
- Other Security Deposits	180,000	180,000	262,500
Total	574,867.00	626,700.00	262,500.00
Current			
Unsecured , Considered Good			
Others			
- Receivable in Cash or Kind	7,339,135	6,689,038	11,106,228
- Balances with government authorities			
- Central Excise and Customs	613,906	613,906	613,906
- GST receivable	5,552,220	-	-
- Sales tax Refund and Set-off	8,289,408	6,483,551	7,538,908
- Advance to Suppliers	4,432,364	920,433	2,576,682
- Prepaid Expenses	592,868	3,859,433	688,820
Total	26,819,900	18,566,361	22,524,544
6 Inventories			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Inventories (lower of cost and net realisable value)			
- Raw materials	12,264,893	11,804,602	16,733,537
- Work-in-progress	19,141,090	17,592,221	10,499,734
- Finished goods	334,750,185	293,785,746	156,272,461
- Stock-in-trade	-	-	43,588,314
- Stores and spares	4,440,897	4,297,424	5,490,531
- Fuel & Oil	254,362	747,257	156,365
Total	370,851,427	328,227,250	232,740,942

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Mode of valuation:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, consumables, stores, spares and packing materials:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Finished goods and work in progress:

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Finished goods are valued on standard cost basis that approximates to actual cost.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Traded goods are valued at standard cost that approximates to actual cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

7 Other investments

Current

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Qty. in Rs.	Amount	Qty. in Rs.	Amount	Qty. in Rs.	Amount
Quoted Investments (all fully paid)						
(a) Investments in Equity Instruments						
IDBI Bank Limited	2,880	208,080	2,880	216,288	2,880	199,872
[2880 (Including Bonus Shares issues of 1080 shares)]						
Total Aggregate Quoted Investments (A)	2,880	208,080	2,880	216,288	2,880	199,872

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Book Value of quoted investments	208,080	216,288	199,872

Investment in equity shares are recognised at fair value through profit and loss.

8 Trade Receivables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Trade receivables			
Unsecured, considered good	325,780,538	299,577,254	209,203,018
Less : Allowance for doubtful debts (expected credit loss allowances)	(65571)	(10454)	(53628)
Total	325,714,967	299,566,799	209,149,390

Note : Allowance for bad & doubtful debts is created in accordance 'expected credit loss' model prescribed under Ind AS 109.

9 Cash and Cash Equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks	1,484,432	1,307,141	1,463,907
Cash on hand	469,933	618,338	524,196
Others :			
a) Earmarked balances with banks (Dividend accounts)	2,714,094	2,245,490	1,648,477
Total	4,668,460	4,170,969	3,636,580

Note : The Unpaid dividend amount will be transferred to Investor Education & Protection Fund as & when due.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

10 Current tax assets

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current tax assets			
Income Tax (Net of provisions)	298,268	1,339,576	11,121,306
MAT Credit Entitlement	-	-	6,561,567
Total	298,268	1,339,576	17,682,873

11 Equity share capital

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity share capital	167,632,330	167,632,330	166,743,030
Total	167,632,330	167,632,330	166,743,030

Authorised Share Capital

18,000,000 Fully paid equity shares of Rs.10/- each

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	Number of shares in	Share capital (Amount)
Balance at April 1, 2016	16,674,303	166,743,030
(a) Issue of equity shares under employee share option plan (Note)	88,930	889,300
Balance at March 31, 2017	16,763,233	167,632,330
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	16,763,233	167,632,330

Fully paid equity shares, which have a par value of Rs. 10, carry one vote per share and carry a right to dividends.

Details of shares held by each shareholder holding more than 5% shares

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares						
Pawan Kishorilal Agarwal	11,462,343	68.378	11,890,700	70.933	12,090,700	72.511

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.

Shares reserved for issue under options

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 2017-18, another 30% of the options so granted have been vested which is in line with the Company's ESOP scheme. No options are exercised in the current year.

Further the Compensation Committee had 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

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

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. During the year, all the options granted under the above scheme were vested ; however no options were exercised in the current year.

There has been no allotment of shares pursuant to contract(s) without payment being received in (cash during 5 years immediately preceding 31st March, 2018)

12 Other Equity

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retained earnings	142,888,920	117,419,807	99,580,494
Securities premium reserve	2,003,148	2,003,148	-
Share based Payment Reserve	9,051,587	2,992,241	2,097,094
Other items of other comprehensive income	1,147,766	1,398,095	1,292,572
Total	155,091,421	123,813,291	102,970,160

Retained Earnings	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	117,419,807	99,580,494	-
Add: Profit During the year	33,846,848	21,176,229	-
Impact on Account of Deferred Tax	-	225,637	-
IndAS Adjustments (P.Y)	2,264,245	(3,633,969)	-
Adjustment of Profit/Loss of Subsidiary	(1,783,496)	71,416	-
Adjustment of Capital Reserve of Subsidiary	(2,601,302)	-	-
Share of Loss in Joint Venture	(3,416,938)	-	-
Dividend Paid	(2,360,000)	-	-
Dividend distribution tax paid	(480,244)	-	-
Balance at end of year	142,888,920	117,419,807	99,580,494

Securities premium reserve	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	2,003,148	-	-
Add: Transfers during the year	-	2,003,148	-
Balance at end of year	2,003,148	2,003,148	-

Share based Payment reserve	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	2,992,241	2,097,094	-
Add: Transfers during the year	6,059,346	895,147	-
Balance at end of year	9,051,587	2,992,241	2,097,094

Other items of other comprehensive income	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of year	1,398,095	1,292,572	-
Add: Additions during the year	(250,329)	105,523	-
Balance at end of year	1,147,766	1,398,095	1,292,572

Description of nature & purpose of each reserve:

Securities Premium Reserve: Created to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Retained Earnings: Created from Profit/loss of the Company, as adjusted for distribution to owners , transfers to other reserves etc.

Share based Payment reserve: Created for recording the grant date fair value of options issued to employees under the Employees stock option schemes & is adjusted on exercise/forfeiture of options.

Other items of other comprehensive income : Created for transferring the re-measurements gains & losses on defined benefit plans & deferred revenue of Fully convertible debentures.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

The Board of Directors has recommended a dividend of Rs.0.20 per share exclusively on the portion of the share capital held by the public as on the record date to be announced. 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 2018 in accordance with Indian Accounting Standard (Ind AS)-10 "Events after the Reporting Period".

13 Non-current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured - at amortised cost			
(i). Fully Convertible debentures	41,070,732	-	-
Secured			
(ii). Term loans			
- From banks	-	34,566,249	43,351,553
Total non-current borrowings	41,070,732	34,566,249	43,351,553

Summary of borrowing arrangements

(i) Fully Convertible debentures:

During the year 17-18, Company has issued 3 Fully Convertible debentures of Face value of Rs. 1,50,00,000/- each to H.T. Media Limited. The terms of the issue are :

1. The Equity shares issued on conversion shall rank pari passu with the Existing Equity Shares of the company.
2. The FCDs shall be converted into Equity shares at the end of 18 months from date of such allotment.
3. The FCDs shall be unsecured.
4. Pricing of Equity shares - Frequently Trade Shares: The FCDs shall be converted into Equity shares of face value of Rs. 10/- each at a price which is higher of the following:
 - (a) Rs. 80/- per Equity share.
 - (b) Price arrived at in accordance with the ICDR Regulations. ("Conversion Price")

The objects of the Preferential issue:

- (i) The object of the issue is to meet funding requirements towards brand building through advertising in the print & non-print media.
- (ii) To meet issue expenses
- (iii) General Corporate Purposes

As per IND AS 109 - Financial Instruments, Fully convertible debentures issued during the year are convertible into Equity shares as stated above. The same are reflected at fair value calculated on the basis of present value of the instrument as on the date of Balance Sheet.

(ii) Term Loans:

Term Loan-I from Axis Bank

Sanctioned amount	Rs.450 lakhs
Secured by	Hypothecation of current assets of the company. The loan was 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	Originally the loan was repayable in 60 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a. However the Company has repaid the loan and closed the loan account during the current financial year.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2017-18	325.85	-	25.17	351.02	-

Term Loan-III from Axis Bank

Sanctioned amount	Rs.40 lakhs
Secured by	Hypothecation of current assets of the company. The loan was 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	Originally the loan was repayable in 12 Monthly Installments beginning from following month of disbursement with interest rate of 12.50% p.a. However the Company has repaid the loan and closed the loan account during the current financial year.

(Rs. in lakhs)

Financial Year	Opening balance	Disbursement	Interest	Repayment	Closing balance
2017-18	19.82	6.34	1.64	27.80	-

Note: Term Loan-II from Axis Bank is already settled in the year 2016-17.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

14 Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits	26,170,651	27,843,700	7,948,700
Total	26,170,651	27,843,700	7,948,700

15 Current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a). Loans repayable on demand			
- from banks	230,709,279	210,970,507	180,872,003
- from others	61,617,449	17,525,073	10,000,000
Total	292,326,728	228,495,580	190,872,003

Rate of interest charged for the working capital borrowing is **MCLR +1.50%** p.a. in case of Axis Bank Limited & **MCLR +2.65%** p.a. in case of Punjab National Bank. 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.

16 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro Enterprises & Small Enterprises	3,514,843	30,671,106	11,303,186
Others	207,530,915	151,557,601	97,752,284
Total	211,045,758	182,228,707	109,055,470

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 the terms of the Contract agreed between the parties 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.

17 Other financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non- Current			
a Employee Benefits Payable	12,012,349	13,504,141	6,259,455
b Outstanding Expenses	9,774,777	16,951,032	7,961,017
c Unpaid Dividend	2,713,842	2,245,238	1,648,369
Total	24,500,968	32,700,411	15,868,841

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.

18 Provisions

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Leave Salary	2,157,546	2,779,847	1,919,130
Gratuity	3,013,426	2,711,774	1,777,667
Total	5,170,972	5,491,621	3,696,797
Current	5,170,972	5,491,621	3,696,797
Non-Current			
	5,170,972	5,491,621	3,696,797



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

19 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
TDS	1,904,997	1,527,498	1,438,932
Professional Tax	56,350	63,150	47,000
Income tax payable	11,694,311	-	-
Advance to employee	24,499	-	-
Advances from Customers	1,495,850	1,488,888	9,528,933
Service Tax	-	234,458	11,914
Provident fund	476,278	556,386	498,494
ESIC	126,655	160,184	105,338
Sales tax	87,118	(100)	860,753
Deferred Revenue	3,851,909	-	-
Share of loss from JV	2,916,937	-	-
Total	22,634,904	4,030,464	12,491,365

As per IND AS 109 - " Financial Instruments" Deferred Revenue is created with respect to Fully convertible debentures issued during the year.

20 Revenue from operations

	As at March 31, 2018	As at March 31, 2017
(a) Sale of products (Including Excise Duty of Rs. 9,28,483 for the year ended March 31, 2018, & Rs. 3,81,173 for the year ended March 31, 2017)	1,037,587,536	896,740,584
(b) Other operating revenues	809,156	1,283,438
	1,038,396,692	898,024,021

21 Other Income

	As at March 31, 2018	As at March 31, 2017
(a). Interest Income		
- Bank deposits	144,401	120,569
	144,401	120,569
(b). Other non-operating income		
- Others (aggregate of Miscellaneous items)	1,761,550	3,469,456
	1,761,550	3,469,456
(a + b)	1,905,951	3,590,025

22 Cost of Materials consumed

	As at March 31, 2018	As at March 31, 2017
Opening stock	11,804,602	16,733,537
Add: Purchases	600,853,515	535,176,687
Less: Closing stock	12,264,893	11,804,602
	600,393,224	540,105,622
Material consumed:		
Chemicals	37,864,968	46,832,559
Dyes	18,599,164	20,956,607
Yarn & Fabric	402,295,583	383,886,383
Other Raw Materials	141,633,509	39,144,709
	600,393,224	490,820,258

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

23 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Inventories at the end of the year:

Finished goods	334,750,185	293,785,746
Work-in-progress	19,141,090	17,592,221
	353,891,275	311,377,967

Inventories at the beginning 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
	(42,513,308)	(101,017,458)

24 Employee benefits expenses

	As at March 31, 2018	As at March 31, 2017
Salaries and Wages	80,485,904	82,514,718
Contribution to provident and other funds	3,936,439	3,699,559
Staff Welfare Expenses	4,724,056	4,528,977
Expense on employee stock option (ESOP) scheme	6,059,346	2,898,295
	95,205,744	93,641,549

25 Finance Costs

	As at March 31, 2018	As at March 31, 2017
Interest costs :-		
Interest on borrowings	31,276,449	30,090,654
Interest on Trade payables	2,211,732	861,860
Other interest expense	29	-
Total interest expense for financial liabilities not classified as at FVTPL	33,488,210	30,952,514

26 Depreciation and amortisation expense

	As at March 31, 2018	As at March 31, 2017
Depreciation of property, plant and equipment	15,086,173	17,507,180
Amortisation of intangible assets	574,864	789,733
Total depreciation and amortisation expenses	15,661,036	18,296,913



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

27 Other expenses

	As at March 31, 2018	As at March 31, 2017
Stores & Spares Consumable	23,171,779	21,682,369
Consumption Of Packing Materials	9,236,806	6,836,413
Sub Contracting	103,062,085	92,819,667
Power & Fuel	63,249,451	57,419,741
Cam charges	906,365	187,847
Water	8,626,830	7,796,326
Rent Including Lease Rentals	7,341,022	9,221,735
Building	579,843	1,183,332
Machinery	3,822,097	2,949,367
Others	5,748,617	6,494,113
Insurance	1,230,585	701,758
Rates & Taxes	4,479,953	12,570,952
Communication	1,430,165	2,403,594
Travelling & Conveyance	5,235,243	7,051,098
Printing & Stationery	1,713,094	984,932
Sales Commission	2,135,876	2,453,872
Pilferage & Shortage	1,000,054	1,390,438
Royalty	11,340,406	6,422,644
Legal & Professional	11,587,112	10,017,467
Statutory Auditors Remuneration*	667,500	763,500
Transportation Charges	10,294,591	9,694,321
Bank Charges, Commission & Others	1,342,817	784,549
Advertisement Expenses	2,013,946	2,813,336
Motor Car Expenses	1,450,962	1,419,052
Security Charges	3,247,839	3,626,395
Registrar & Transfer Expenses	173,999	140,097
Subscription & Membership	60,171	411,972
Prior Period Expenses	-	4,019,175
Sundry Balance w/off	313,798	1,766,023
Amortisation of Land	22,967	22,967
Provision of Bad debt as per ECL Method	1,489	10,454
Preliminary Expenses - W/Off	-	8,615
Pre Operative Expenses- Others	-	33,393
Miscellaneous Expenses	3,589,454	2,730,035
Loss on claim received	-	94,989
Prepaid Expenses - Security Deposit	51,833	65,480
GST Expenses	223,675	-
Business Promotion Expense	1,003,367	2,587,439
Total	290,355,790	281,579,457

***Statutory Auditors Remuneration**

	As at March 31, 2018	As at March 31, 2017
a) For audit	532,500	594,500
b) For taxation matters	125,000	157,500
Total	657,500	752,000

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

28 Financial Risk Management Objectives & Policy

The Company's Financial Risk Management is an integral part of how to plan and execute its Business Strategies. The Company's Financial Risk Management Policy is set by the Board. The Company's activities are exposed to a variety of financial risks from its operations. The key financial risks include market risk (including foreign currency risk, interest rate, risk and commodity risk etc.), credit risk and liquidity risk.

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly two types of risk: Interest rate risk & currency risk The Company has an elaborate risk management system to inform Board Members about risk management and minimization procedures.

a) Foreign Currency Risk

The Company is not having any significant foreign transactions ; hence the company is not prone to foreign currency risks as on the date of balancesheet.

b) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing.

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Loans in Rupees			
a) Fixed Rate	-	34,566,249	43,351,553
b) Floating Rate	292,326,728	228,495,580	190,872,003
Total	292,326,728	263,061,829	234,223,556

The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

Interest Rate Sensitivity :

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other variables held constant, the Company's profit / (Loss) before tax is affected through the impact on finance cost with respect to our borrowing, as follows:

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Change in basis Points	25	25	25
Effect on profit / (loss) before tax	(730,817)	(571,239)	(477,180)
Change in Basis Points	-25	-25	-25
Effect on profit / (loss) before tax	730,817	571,239	477,180

2) Credit Risk

Credit Risk arises from the possibility that counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade Receivable:- Customer Credit Risk is managed based on Company's established policy, procedures and controls. The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and aging of trade receivables. Individual credit risk limits are set accordingly.

The credit risk from the organized and bigger buyers is reduced by securing Letter of Credits/part advance payments/post dated cheques and the raw material in case of jobwork. The Outstandings of different parties are reviewed periodically at different level of organization. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Upto 6 Months	184917895	194520283	164506612
Above 6 months	140797072	105046516	44642778
Grand Total	325714967	299566799	209149390



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Financial Instruments and Deposits with Banks:

The Company considers factors such as track record, size of institution, market reputation and service standards to select the bank with which balances and deposits are maintained. Generally, balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operation.

3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

The Company relies on a mix of borrowings, and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowings facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

S. No.	Particulars	Carrying Amt.	Due within 1 year	Due between 1-5 years	Due after 5 years	Total
1	As on 31st March,2018					
	- Borrowings	333,397,460	292,326,728	41,070,732	-	333,397,460
	- Trade Payables	211,045,758	211,045,758	-	-	211,045,758
	- Other Liabilities*	73,306,524	73,306,524	-	-	73,306,524
	Total	617,749,741	576,679,009	41,070,732	-	617,749,741
2	As on 31st March,2017					
	- Borrowings	263,061,829	263,061,829	-	-	263,061,829
	- Trade Payables	182,228,707	182,228,707	-	-	182,228,707
	- Other Liabilities*	64,574,575	64,574,575	-	-	64,574,575
	Total	509,865,111	509,865,111	-	-	509,865,111
3	As on 1st April,2016					
	- Borrowings	234,223,556	234,223,556	-	-	234,223,556
	- Trade Payables	109,055,470	109,055,470	-	-	109,055,470
	- Other Liabilities*	36,308,906	36,308,906	-	-	36,308,906
	Total	379,587,932	379,587,932	-	-	379,587,932

* Includes Government dues

29 Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, securities premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash & cash Equivalents.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	333,397,460	263,061,829	234,223,556
Less: Cash & Cash Equivalents (Including Current Investments)	4,876,540	4,387,257	3,836,452
Net debt	338,273,999	267,449,087	238,060,008
Equity Share Capital	167,632,330	167,632,330	166,743,030
Other Equity	155,091,421	123,813,291	102,970,160
Total Capital	322,723,751	291,445,621	269,713,190
Capital & Net debt	660,997,751	558,894,708	507,773,198
Gearing Ratio	51.18%	47.85%	46.88%

The Company monitors capital using a gearing ratio, which is Net Debt divided by Total Capital plus Net Debt. Net Debt is calculated as total borrowings including short term and current maturities of long term debt.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

30 Fair Value of Financial Assets & Liabilities

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
A Financial Assets						
(i) At fair value through Profit & Loss						
Investments						
a) IDBI Shares	208,080	208,080	216,288	216,288	199,872	199,872
b) Trade Receivables	325,714,967	233,623,035	299,566,799	233,623,035	209,149,390	233,623,035
Total	325,923,047	233,831,115	299,783,087	233,839,323	209,349,262	233,822,907
A Financial Liabilities						
(i) At Amortised Cost						
Fully Convertible Debentures	41,070,732	41,070,732	-	-	-	-
Total	41,070,732	41,070,732	-	-	-	-

Fair Valuation Techniques

1. Fair Value of Investments in quotes shares are based on the quoted market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected losses of these receivables.
2. Fair Value of Fully convertible debentures is calculated after discounting it using the RBI Rate as on the reporting date.

31 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserves in equity is shown below

Retained Earnings

	As at March 31, 2018	As at March 31, 2017
Remeasurement gains/(Losses) on defined benefit plans	(136,989)	156,253
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	90,995	(50,730)
Impact on account of Transfer from Deferred Revenue relating to Fully convertible debentures	77,359	-
	31,365	105,523

32 Share-based payments

Description of share based payments arrangements

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. During the year ended 31 January, 2013, the Company granted stock options to certain employees of the Company.

A Suditi Employee Stock Option Plan 2011 (SUDITI ESOP 2011)

Pursuant to the Scheme, the Compensation Committee had given its approval to grant 350800 options at par to specified eligible employees of the Company in the year January 2013. Further the Company has also granted another 124605 options to the eligible Employees in 15th February 2017. The Company has the following share-based payment arrangements for employees.

Movements during the year

The following table illustrates the number and fair price of, and changes in, share options during the year. Excise price is fixed at face value of ` 10/- each.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Particulars	31-Mar-18				31-Mar-17			
	Grant of Options		Grant of Options		Grant of Options		Grant of Options	
	I	II	I	II	I	II	I	II
	Number	Fair price	Number	Fair price	Number	Fair price	Number	Fair price
Outstanding at the beginning of the year	143270	52.30	124605	52.30	154115	58.32	124605	58.32
Options exercised during the year	-	-	-	-	88930	58.32	-	-
Expired/lapsed during the year	18160	52.30	8825	52.30	-	-	-	-
Outstanding at the end of the year	125110	-	115780	-	65185	-	124605	-
Exercisable at the end of the year	115510	-	115780	-	65185	-	124605	-

The fair values of options granted under the plan were determined using Black-Scholes pricing module that takes into account factors specific to the share incentive plans, such as the vesting period. The following principal assumptions were used in the valuation:

Particulars	31-Mar-18		31-Mar-17	
	Options vested	Options vested and unexercised	Options vested and exercised	Options to be vested
Number of options	Nil	231,290	88,930	189,790
Fair value on grant date (₹)	Nil	First grant ` 7.68 Second grant ` 60.46	First grant ` 7.68 Second grant ` 60.46	First grant ` 7.68 Second grant ` 60.46
Share price at grant date (₹)	Nil	First grant ` 7.68 Second grant ` 68.40	First grant ` 7.68 Second grant ` 68.40	First grant ` 7.68 Second grant ` 68.40
Fair value at exercise date (₹)	Nil	Nil	27.85	Nil
Exercise price (₹)	Nil	10	10	10
Expected volatility	3.15%	3.15%	4.66%	4.66%
Expected life	3 years	3 years	3 years	3 years
Expected dividends	5%	5%	5%	5%
Risk-free interest rate (based on government bonds)	7.42%	7.42%	7.70%	7.70%

Note: In the case of First grant since the market price was lower than the Exercise price (face value), fair value calculations on grant date are not separately computed.

Particulars of Scheme

Name of scheme	Suditi Employee Stock Option Plan 2011																							
Vesting conditions	First grant of 350800 options made on 31/01/2013 and the second grant of 124605 options made on 15/02/2017. The schedule of the vesting is as follows:																							
	<table border="1"> <thead> <tr> <th rowspan="2">Graded vesting schedule</th> <th colspan="2">Percentage of options granted</th> </tr> <tr> <th colspan="2">Grant of Options</th> </tr> <tr> <td></td> <th>I</th> <th>II</th> </tr> </thead> <tbody> <tr> <td>1st Anniversary of the Grant Date</td> <td>10%</td> <td>100%</td> </tr> <tr> <td>2nd Anniversary of the Grant Date</td> <td>15%</td> <td>N.A.</td> </tr> <tr> <td>3rd Anniversary of the Grant Date</td> <td>20%</td> <td>N.A.</td> </tr> <tr> <td>4th Anniversary of the Grant Date</td> <td>25%</td> <td>N.A.</td> </tr> <tr> <td>5th Anniversary of the Grant Date</td> <td>30%</td> <td>N.A.</td> </tr> </tbody> </table>	Graded vesting schedule	Percentage of options granted		Grant of Options			I	II	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.
Graded vesting schedule	Percentage of options granted																							
	Grant of Options																							
	I	II																						
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.																						
Exercise period	Stock options can be exercised within a period of 5 years from the date of vesting.																							
Number of share options	240,890																							
Exercise price	10																							
Method of settlement	Equity																							
Fair value on the grant date	First grant ` 7.68 Second grant ` 60.46																							
Remaining life as on 31 March 2018	2 year																							

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Remaining life as on 31 March 2017 3 year

Details of share options exercised during the year:

No options were exercised during the year 2017-18

The following share options were exercised during the previous Financial Year:

Options series	Number Exercised	Share Price at Exercise date	Exercise date
Granted on 31/01/2013	88,930	27.85	29/05/2016

B. Amendments to Suditi Employee Stock Option Plan 2011 (SUDITI ESOP 2011)

- The Board has modified the SUDITI ESOP plan vide special resolution in the 25th Annual General Meeting by discounting the bifurcation of the vesting of the plan from 5 years to 1 year.
- The lock-in-period of 1 year from the allotment is now modified and the same will be decided at the time of allotment of shares against exercise of options.
- Further the total number of options, quantitative restricted to 85200 shares is now modified to 1% of the paid-up capital as on the date of allotment.
- The Employee as defined in the plan now covers Employees of the Subsidiaries also.

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
33 Cost of Material Consumed				
Chemicals		37,864,968		46,832,559
Dyes		18,599,164		20,956,607
Yarn & Fabric	Kgs	998,837	990,895	383,886,383
Garment	Pcs	113,036	-	61,650,417
Other Raw Materials		97,469,873		39,144,709
Stores & Spares		23,171,779		21,682,369
Packing Materials		9,236,806		6,830,313
		632,801,811		580,983,357
	Unit			
		For the year ended 31st March, 2018	For the year ended 31st March, 2017	
		%	%	Amt. in Rs.
Imported		0.11	0.45	2,596,147
Indigenous		99.89	99.55	578,387,210
		100.00	100.00	580,983,357

Notes:

- 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.



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

		As at 01st April, 2017		As at 01st April, 2016		
		Quantity	Amt. in Rs.	Quantity	Amt. in Rs.	
34	Opening 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	367,749	161,739,315	328,719	129,862,064
				328,227,250		217,664,005
				For the year ended		For the year ended
				31st March, 2018		31st March, 2017
			Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
35	Closing Stock					
1.	Yarn	Kgs	24,840	5,679,879	21,945	5,293,937
2.	Grey fabric	Kgs	9,155	2,031,796	7,196	1,724,348
3.	Chemicals			1,477,153		1,792,547
4.	Stores, Spares & Other items			5,479,009		5,801,919
5.	Packing Materials			952,934		660,517
6.	Dyes			1,339,382		1,576,014
7.	Stock in trade	Kgs	-	-	-	-
		Pcs	-	-	-	-
8.	Work in Progress	Kgs	45,035	14,985,876	492,989	3,034,621
		pcs	430,641	4,155,214	70,886	14,557,600
9.	Finished Goods					
	Finished Fabric	Kgs	155,621	64,196,106	293,561	132,046,431
	Finished Garments	Pcs	504,149	270,554,078	367,749	161,739,315
				370,851,427		328,227,250
36	Sales					
1.	Processed Fabric	Kgs	3,131,878	576,719,980	3,214,204	581,189,813
2.	Ready Made Garments	Pcs	891,226	184,854,800	560,691	92,414,214
3.	Garments & Apparels (Retail Division)	Pcs	622,483	275,084,278	578,454	467,671,621
4.	Trading Sales - Fabric & Others	Mtrs	-	-		
				1,036,659,058		1,141,275,648
37	Purchases of Stock-in-Trade					
1.	Purchases - Fabric & Others	Mtrs	-	-	-	-

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	Quantity	Amt. in Rs.	Quantity	Amt. in Rs.
38 CIF Value of Imports				
Components and Spare Parts		671,675		2,596,147
Capital Goods		-		-
39 Expenditure in Foreign Currency				
Travelling		285,325		303,250
Others		-		-
40 Earnings in Foreign Exchange				
FOB Value of Exports		-		361,069
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 31st March, 2018		For the year ended 31st March, 2017
		Amt. in Rs.		Amt. in Rs.
(i) Contribution to Provident Fund		2,714,299		2,886,820
(ii) Contribution to Employees' State Insurance Scheme		1,022,348		898,972
(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 31st March, 2018		For the year ended 31st March, 2017
		Leave Encashment		Leave Encashment
				Gratuity
(a) Discount Rate (per annum)		7.65%	7.65%	7.15%
(b) Rate of increase in Compensation Levels		5.00%	5.00%	5.00%
		For the year ended 31st March, 2018		For the year ended 31st March, 2017
		Leave Encashment		Leave Encashment
				Gratuity
		Amt. in Rs.	Amt. in Rs.	Amt. in Rs.
(i) Changes in the Present Value of Obligation				
(a) Opening Present Value of Obligation		2,779,847	6,692,241	1,919,130
(b) Interest Cost		147,649	454,035	136,562
(c) Past Service Cost		-	79,091	-
(d) Current Service Cost		10,088	933,493	972,850
(e) Benefits Paid		(177,728)	(684,209)	(172,178)
(f) Actuarial (Gain)/Loss		(602,310)	277,349	(76,517)
(g) Closing Present Value of Obligation		2,157,546	7,752,000	2,779,847
(ii) Changes in the Fair Value of Plan Assets				
(a) Opening Fair Value of Plan Assets		-	3,980,467	-
(b) Expected Return on Plan Assets		-	284,603	-
(c) Actuarial Gain/(Loss)		-	63,001	-
(d) Employers' Contributions		-	1,165,576	-
(e) Benefits Paid		-	(684,209)	-
(f) Closing Fair Value of Plan Assets		-	4,809,438	-



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018		For the year ended 31st March, 2017	
	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	2,157,546	7,752,000	2,148,686	6,692,241
(b) Fair Value of Plan Assets as at the year end	-	4,809,438	-	3,980,467
(c) (Asset)/Liability recognised in the Balance Sheet	2,157,546	2,942,562	2,148,686	2,711,774
(iv) Expenses recognised in the Statement of Profit and Loss				
(a) Current Service Cost	858,163	684,735	1,002,204	693,826
(b) Past Service Cost	-	79,091	-	-
(c) Interest Cost	192,405	417,916	136,562	402,926
(d) Expected Return on Plan Assets	-	(284,603)	-	(304,479)
(e) Net Actuarial (Gain)/Loss	(1,495,141)	-	(76,517)	-
Total Expenses recognised in the Statement of Profit and Loss	(444,573)	897,139	1,062,249	792,273
(v) Amount recognised in other Comprehensive Income				
(a) Current Service Cost	-	248,758	-	280,486
(b) Past Service Cost	-	-	-	-
(c) Interest Cost	-	36,119	-	17,601
(d) Expected Return on Plan Assets	-	-	-	-
(e) Net Actuarial (Gain)/Loss	-	(275,199)	-	(29,183)
Total Expenses recognised in other Comprehensive Income	-	9,678	-	268,904

NOTE:

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

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.Anand Agarwal (Brother)
 2. Mr.Rajendra Agarwal (Brother)
 3. Mrs.Pramila Agarwal (Wife of Anand Agarwal)
 4. 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.
 7. SAA & Suditi Retail Pvt. Ltd.

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Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

Disclosure of transactions between the company and related parties

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	Amt. in Rs.	Amt. in Rs.
a) Key Management Personnel - Remuneration		
1. Mr.Pawan Agarwal	2,599,824	2,100,000
	2,599,824	2,100,000
b) Enterprises under Common control of the Promoters		
a) Sale of Goods/Related Services		
1. Intime Knits Pvt. Ltd.	56,956,264	19,346,924
2. BLR Knits Pvt. Ltd.	13,792	12,048
3. Suditi Design Studio Ltd.	8,560,618	14,918,783
4. SAA & Suditi Retail Pvt. Ltd.	108,029	-
b) Purchase of Goods		
1. Intime Knits Pvt. Ltd.	288,169	297,607
2. BLR Knits Pvt. Ltd.	-	-
c) Services Received		
1. Intime Knits Pvt. Ltd.	-	50,527
2. Black Gold Leasing Pvt. Ltd.	9,320,003	8,747,947
3. R. Piyarellal Pvt. Ltd.	1,780,829	1,056,820
4. BLR Knits Pvt. Ltd.	-	11,579
d) Balance Outstanding as at the year end		
1. BLR Knits Pvt. Ltd. (Receivable)	207,452	461,091
2. Intime Knits Pvt. Ltd. (Net Receivable)	1,940,584	708,495
Intime Knits Pvt. Ltd. (Net Payable)	628,633	22,285
3. Black Gold Leasing Pvt. Ltd. (Deposits Receivable)	30,381,466	30,381,466
4. Black Gold Leasing Pvt. Ltd. (Net Payable)	985,368	658,891
5. R. Piyarellal Pvt. Ltd. (Payable)	1,689,360	305,177
6. Suditi Design Studio Ltd (Receivable)	6,359,759	9,922,590
7. SAA & Suditi Retail Pvt. Ltd. (Receivable)	701,265	-

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 31st March, 2018	For the year ended 31st March, 2017
	Amt. in Rs.	Amt. in Rs.
(a) Lease payments recognised in the Statement of Profit and Loss	2,590,680	4,392,206
(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)		



Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2018

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 31st March, 2018		For the year ended 31st March, 2017	
Profit for the year (Amt. in Rs.)	28,365,977		21,281,752	
Weighted average number of Shares for Basic Earnings per Share	16,763,233		16,763,233	
Add: Effect of Dilutive Potential Shares (Share Warrants)	-		-	
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	240,890		65,185	
Add: Effect of Dilutive Fully Convertible Debentures	562,500		-	
Weighted average number of Shares for Diluted Earnings per Share	17,566,623		16,828,418	
Earnings per Share (Rs. per Equity Share of Rs. 10 each)				
Basic	1.69		1.27	
Diluted	1.61		1.26	

	As at 31st March, 2018		As at 31st March, 2017	
	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.	Amt. in Rs.

45 Contingent Liabilities

(a) Claims against the company not acknowledged as debts				
(i) Sales tax matters	44,518,890		35,703,384	
(ii) Excise matters	-		-	
(iii) Income tax matters	-		-	
		44,518,890		35,703,384
(b) Bond/Guarantee given to any Government Department or Corporation				
(i) Asstt. Commissioner of Customs under EPCG Scheme towards export obligations	0		3,769,310	
		0		3,769,310

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 included interest and other penalties/levies.

Capital Commitments

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

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

Signatures to Notes 1 to 46

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date attached

For Chaturvedi & Partners
Chartered Accountants
(Firm Registration No.307068E)

Khyati Shah
Partner
(Membership No.117510)
Mumbai, 30th May, 2018

For and on behalf of the Board of Directors

Pawan Agarwal
Chairman & Managing Director
DIN: 00808731

Sanjula Sanghai
Director
DIN: 00049344

H.Gopalkrishnan
V.P.Finance & Company Secretary
Mumbai, 30th May, 2018

Vivek Gangwal
Director
DIN: 01079807

Manoj Khemka
V.P.Accounts & Commercial

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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		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
1	2	3	4	5	6	7	8	9
Parent:								
Suditi Industries Limited	101.30%	330,525,486	117.34%	33,596,519	33%	(412,188)	55%	(250,329)
Subsidiaries:								
Indian:								
1. Suditi Sports Apparel Limited	0.04%	133,245	-0.17%	(49,125)	-	-	-	-
2. Suditi Design Studio Limited	1.40%	4,561,032	-6.88%	(19,688,12)	33%	275,199	45%	204,335
Foreign:								
Minority Interests in all subsidiaries	0.02%	79,074	-0.11%	(30,106)	-	-	-	-
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. SAA & Suditi Retail Pvt. Ltd.	-	-	(0.12)	(3,416,938)	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Foreign:								
1.	-	-	-	-	-	-	-	-
2.	-	-	-	-	-	-	-	-
3.	-	-	-	-	-	-	-	-
Eliminations	-2.76%	(9,000,000)	1.75%	500,000				
	100.00%	326,298,836	100.00%	28,631,538	66.30%	(136,989)	99.26%	(45,994)



Suditi Industries Limited - Consolidated Results

Ind AS Opening Balance Sheet as at 01 April 2016

(in Rupees)

Particulars	Reference Explanation	Indian GAAP as at 1st April'2016	Adjustments	As per Ind AS as at 1st April'2016
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment		115,953,290	-	115,953,290
(b) Intangible assets		1,690,125	-	1,690,125
(c) Intangible assets under development		2,078,378	-	2,078,378
(d) Financial assets				
(i) Investments		-		-
(ii) Loans	B	44,465,363	(2,223,245)	42,242,118
(iii) Other non-current financial assets	B	25,000	1,960,745	1,985,745
(e) Deferred tax assets	C	1,253,443	1,414,133	2,667,576
(f) Other non-current assets	B & D	1,478,250	(1,215,750)	262,500
		166,943,849	(64,117)	166,879,732
(2) Current assets				
(a) Inventories		232,740,942	-	232,740,942
(b) Financial Assets				
(i) Current investments	E	234,000	(34,128)	199,872
(ii) Trade receivables	F	209,203,019	(6,458,347)	202,744,672
(iii) Cash and bank balances		3,636,579	-	3,636,579
(iv) Loans	G	29,465,769	(29,101,189)	364,580
(v) Other current financial assets		-	-	-
(c) Other current assets	G	11,106,228	11,418,316	22,524,544
(d) Current tax assets	G	-	17,682,873	17,682,873
		486,386,537	(6,492,475)	479,894,062
Total Assets		653,330,386	(6,556,592)	646,773,795
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		166,743,030	-	166,743,030
(b) Other Equity		99,580,494	3,389,666	102,970,160
	1	266,323,524	3,389,666	269,713,190
Minority interest		180,595	-	180,595
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		43,351,553	-	43,351,553
(ii) Other financial liabilities		-	-	-
(b) Provisions		-	-	-
(c) Other non-current liabilities		7,948,700	-	7,948,700
		51,300,253	-	51,300,253
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		190,872,003	-	190,872,003
(ii) Trade payables		109,055,470	(6,404,719)	102,650,751
(iii) Other financial liabilities	H	-	15,868,841	15,868,841
(b) Other current liabilities	H	20,973,418	(8,482,053)	12,491,365
(c) Provisions	H & I	14,625,124	(10,928,327)	3,696,797
(d) Current tax liabilities (Net)		-	-	-
		335,526,014	(9,946,258)	325,579,756
Total Equity and Liabilities		653,330,386	(6,556,592)	646,773,795

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Suditi Industries Limited - Consolidated Results

Ind AS Balance Sheet as at 31 March 2017

Particulars	Reference Explanation	Indian GAAP as at 1st April'2016	Adjustments	As per Ind AS as at 1st April'2016
I ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	A	104,788,393	(22,967)	104,765,426
(b) Capital work-in-progress		2,262,932	-	2,262,932
(c) Investment Property		-	-	-
(c) Goodwill		-	-	-
(b) Intangible assets		1,209,542	-	1,209,542
(c) Intangible assets under development		2,078,378	-	2,078,378
(e) Financial assets				
(i) Investments		-	-	-
(ii) Trade Receivables		-	-	-
(ii) Loans	B	43,153,327	(3,414,803)	39,738,524
(iii) Other non-current financial assets	B	-	2,722,623	2,722,623
(e) Deferred tax assets (net)	C	1,027,807	339,198	1,367,004
(g) Other non-current assets	B	-	626,700	626,700
		154,520,378	250,751	154,771,129
(2) Current assets				
(a) Inventories		328,227,250	-	328,227,250
(b) Financial Assets				
(i) Investments				
(i) Current investments	E	216,288	-	216,288
(ii) Trade receivables	F	299,630,882	(64,082)	299,566,799
(iii) Cash and bank balances		4,170,969	-	4,170,969
(iii) Bank balances other than (ii) above		-	-	-
(iv) Loans	G	14,508,567	(14,455,407)	53,160
(v) Other current financial assets		-	-	-
(c) Other current assets	G	5,450,530	13,115,831	18,566,361
(d) Current tax assets	G	-	1,339,576	1,339,576
		652,204,485	(64,082)	652,140,403
Total Assets		806,724,863	186,668	806,911,531
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		167,632,330		167,632,330
(b) Other Equity		123,625,868	187,423	123,813,291
	1	291,258,198	187,423	291,445,621
Minority interest		109,932	(753)	109,179
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		34,566,249		34,566,249
(ii) Trade payables		-		-
(ii) Other financial liabilities		-		-
(b) Provisions		-		-
(c) Other non-current liabilities		27,843,700		27,843,700
		62,409,949	-	62,409,949
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		228,495,580	-	228,495,580
(ii) Trade payables		182,228,707	-	182,228,707
(iii) Other financial liabilities	H	-	32,700,410	32,700,410
(b) Other current liabilities	H	16,146,154	(12,115,690)	4,030,464
(c) Provisions	H	26,076,342	(20,584,721)	5,491,621
(d) Current tax liabilities (Net)		-	-	-
		452,946,783	(1)	452,946,782
Total Equity and Liabilities		806,724,863	186,668	806,911,531



1. The reconciliation of the Net Worth as per Ind AS and previous Indian GAAP for the year ended 31st March 2017 & 1st April'2016 is as follows:-

Reconciliation of net worth		01.04.16	31.3.17
S. No	Particulars	Amt.	Amt.
A	Total Equity as per Indian GAAP	266,323,524	291,258,198
	GAAP adjustments:		
1	Impact on account of reversal of proposed dividend (including tax)	3,541,539	-
2	Impact of recognising unamortised issue expenses in equity	-1,478,250	-
3	Impact of fair valuation of investment in equity shares of IDBI	-34,128	-
4	Impact of recognising expected credit losses	-53,628	-100,623
5	Impact of accounting for ESOP as per the Fair value method	-	-170,226
6	Deferred tax impacts	1,414,133	458,272
B	Total - GAAP adjustments	3,389,666	187,423
A+B	Total Equity as per Ind AS	269,713,190	291,445,621

2. Explanations for the reconciliations of Balancesheet items as previously reported under previous GAAP to IND AS

A. Amortisation of Land

Under IND AS , Leasehold Land has been shown at amortised cost

B. Reclassification of Security Deposits

Out of total security deposits , Fixed Deposits with Banks & Securities deposit of Statutory deposits are reclassified to Financial Assets & Other Non Current Assets.

C. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments have resulted in temporary differences which has led to recognition of deferred taxes.

D. Amortisation of Right Issue Expenses

As per IND AS , the total amount of Right Issue expenses has been written to Profit & Loss account

E. Investment in Equity Shares

As per IND AS , Current Investments in IDBI shares are shown at fair value through Profit & Loss account.

F. Expected credit losses (ECL) for trade receivables

Under the Indian GAAP, provision for bad debt was recognised for doubtful debtors on a case to case basis. However, under Ind AS, the Company assesses impairment based on the ECL model for measurement and recognition of impairment loss on the financial assets based on the data for 5 past years.

G. Reclassifications of Financial Assets

As per IND AS, Financial Assets are reclassified to Other Current Assets & Current Tax Assets.

H. Reclassifications of Other Financial Liabilities

As per IND AS, Other Current Liabilities & Provisions are reclassified to Other Financial Liabilities .

I. Proposed Dividend

Under previous GAAP , Proposed Dividend was recognised as liability in the period to which it was related. Under IND AS , Proposed dividend is recognised as liability in the period in which it is approved by Shareholders.

Twenty-Seventh Annual Report 2017 - 2018

Suditi Industries Limited - Consolidated Results

Statement of profit and loss for the year ended 31 March 2017

Particulars	Reference Explanation	As per previous GAAP	Adjustments	As per Ind AS
Revenue from operations	A	1,242,960,814	(344,936,793)	898,024,021
Other Income		3,590,025	-	3,590,025
Total Income		1,246,550,839	(344,936,793)	901,614,046
Expenses				
Excise Duty expenses	A	1,119,938	-	1,119,938
Cost of Material consumed		540,105,622	-	540,105,622
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		(101,017,458)	-	(101,017,458)
Employee benefits expense	B & C	93,664,239	(22,690)	93,641,549
Finance costs		30,952,514	-	30,952,514
Depreciation and amortization expense		18,296,913	-	18,296,913
Other expenses	A & D	627,895,599	(346,316,141)	281,579,457
Total Expenses		1,211,017,367	(346,338,831)	864,678,535
Profit/(loss) before tax		35,533,472	1,402,039	36,935,511
Tax Expense:				
(1) Current Tax		14,401,644	-	14,401,644
(2) Deferred tax	E	225,637	1,132,001	1,357,638
Profit/(loss) for the period (IX+XII)		20,906,191	270,038	21,176,229
Other Comprehensive Income				
A (i) Items that will not be reclassified to profit or loss	B		156,253	156,253
(ii) Income tax relating to items that will not be reclassified to profit or loss			(50,730)	(50,730)
B (i) Items that will be reclassified to profit or loss				
(ii) Income tax relating to items that will be reclassified to profit or loss				
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)		20,906,191	375,561	21,281,752
Share of Minority Interest		(5,962)		(5,962)
		20,912,153		21,287,714
Earnings per equity share :				
(1) Basic		1.25		1.27
(2) Diluted		1.24		1.26
Number of Shares Used for Computing Earning Per Share				
Basic		16,763,233		16,763,233
Diluted		16,828,418		16,828,418



The reconciliation of the Net Profit as per Ind AS and previous Indian GAAP for the year ended 31st March 2017 is as follows:-

1 Net Profit

Particulars	Year ended 31/03/2017
Net profit after tax reported under Indian GAAP	20,906,191
Amortisation of Share issue expenses	382,778
Amortisation of Land	(22,967)
Provision of Bad debt as per ECL Method	(10,454)
Preliminary Expenses - W/Off	1,044,743
Pre Operative Expenses- Others	50,729
Changes due to Employee Compensation Expenses	22,690
Deferred Tax adjustment	(1,132,001)
Other Comprehensive Income (net of expenses)	40,043
Net profit after tax reported under Ind AS	21,281,752

2 Explanations for the reconciliations of Profit & Loss items as previously reported under previous GAAP to IND AS

A. Sale of Goods

Under Indian GAAP, Sale of Goods was presented after setting off excise duty. However, under IND AS, sale of goods includes excise duty & separately presented on the face of Balancesheet. Also, As per IND AS, all incentives like volume discounts, early settlement discounts and any other incentive discounts directly related to sales are netted off from revenue.

B. Defined benefit Liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, were charged to Statement of Profit and Loss. Under Ind AS, remeasurements (comprising actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI. Thus, the employee benefits expense is reduced by such amount and a corresponding adjustment to the defined benefit plans has been recognised in OCI (net of tax) in "Other Equity".

C. Share-based Payments

Under Indian GAAP, the Company recognised only the intrinsic value for the long-term incentive plan as an expense. Ind AS requires the fair value of the share options to be determined using an appropriate pricing model recognised over the vesting period. The Company has used the exemption of fair valuing only those options which remained unvested on the date of transition. The Company has used Black & Scholes Method for determining the amount to be transferred to Employee Stock Reserve.

D. Expected credit losses (ECL) for trade receivables

Under the Indian GAAP, provision for bad debt was recognised for doubtful debtors on a case to case basis. However, under Ind AS, the Company assesses impairment based on the ECL model for measurement and recognition of impairment loss on the financial assets based on the data for 5 past years.

E. Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The various transitional adjustments have resulted in temporary differences which has led to recognition of deferred taxes.

**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 Seventh Annual General Meeting of the Company, to be held on Wednesday the 26th September, 2018 at 3.30 p.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K Dubhash Marg, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Nos.	Resolutions	Optional	
		For	Against
Ordinary Business			
1.	Adoption of Financial Statements and Directors' Report for the year ended 31 st March, 2018.		
2.	Approval of dividend on the portion of the Equity Shares held by the public for the year ended 31 st March, 2018.		
3.	Re-appointment of Mr. Pawan Kishorilal Agarwal (DIN No: 00808731) as a Director, who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	To ratify the appointment of M/s. Chaturvedi & Partners, Chartered Accountants as Statutory Auditors and fixing their remuneration.		
Special Business			
5.	Appointment of Shri. Rajagopal Raja Chinraj (DIN No: 00158832) as a Director & Whole-time Director.		
6.	Appointment of Smt. Sanjula Sanghai (DIN No: 00049344) as an Independent Director.		
7.	Approval for keeping any one or more of the index of members, debenture holders and other security holders if any, the Register of members and other related transfer registers of the Company at the office of the Registrar and Share transfer Agent of the company and to allow inspection of the same as required under the Act.		
8.	Consent to the Board of Directors or Board constituted committees to amend, alter, defer, cancel, modify or terminate all the clauses of the Suditi Employees Stock Option Plan 2011 (SUDITI ESOP 2011) or in Part.		
9.	Authorization to the Board to undertake certain Related Party Transactions.		
10.	Authorization to the Board to finalize the terms and conditions in respect of the Borrowings.		
11.	Authorization to the Board to finalize and execute debenture trust deeds or mortgage, charge, hypothecation, lien, promissory notes, deposit receipts and all such deeds, documents, instruments or writings.		

Signed this _____ day of _____ 2018
 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

Name of the Shareholder/Proxy: _____

Registered address: _____

Email ID: _____

Folio No./Client ID: _____ DP ID: _____

I hereby record my presence at the Twenty Seventh Annual General Meeting held at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture, Oricon House, 6th Floor, 12, K Dubhash Marg, Fort, Mumbai - 400 001 on Wednesday the 26th September, 2018 at 3.30 p.m.

Signature of the Shareholder/Proxy

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

ATTENDANCE SLIP



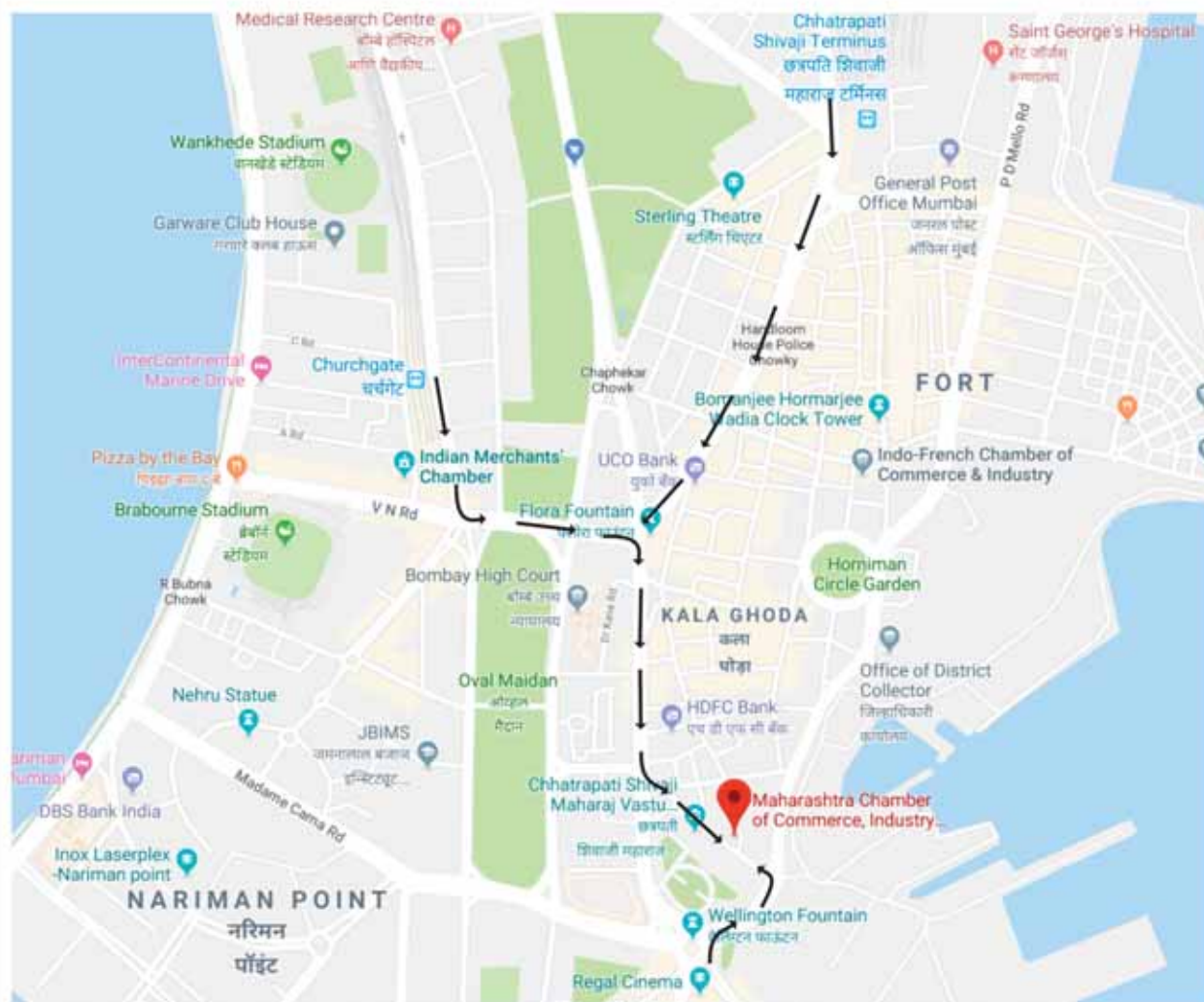
ROUTE MAP TO THE VENUE OF THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF SUDITI INDUSTRIES LIMITED

VENUE : Babasaheb Dahanukar Sabhagriha
Maharashtra Chamber of Commerce, Industry & Agriculture
Oricon House, 6th Floor, 12 , K.Dubhash Marg, Fort,
Mumbai- 400 001.

DATE : 26th SEPTEMBER, 2018

DAY & TIME : Wednesday , 3:30 pm

LANDMARK : Near Jehangir Art Gallery





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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