



Suditi Industries Ltd.



24th **ANNUAL REPORT** 2014 - 2015

APPAREL LICENSEE FOR



FCBARCELONA



BOARD OF DIRECTORS

Mr. Pawan Agarwal
(Chairman & Managing Director)

Mr. Sushil Kumar Kasliwal

Mr. Vivek Gangwal

Mrs. Sanjula Sanghai

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

Mr. Manoj Khemka
V.P. Accounts & Commercial

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

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

Works

Unit No.1
C-253/254, M.I.D.C., T.T.C. Indl. Area,
Pawane Village, Navi Mumbai 400 703

Unit No. 2
C-3/B, M.I.D.C., T.T.C. Indl. Area,
Navi Mumbai 400 703

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

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

Bankers
Indian Overseas Bank
HDFC Bank Ltd.

Registrar & Share Transfer Agents
Sharex Dynamic (India) Pvt.Ltd.
Unit-1 , Luthra Indl.premises, Safed Pool,
Andheri kurla Rd., Andheri (E),

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TWENTY FOURTH ANNUAL GENERAL MEETING

Tuesday the 29th September, 2015, at
3.30 p.m. at Walchand Hirachand Hall,
4th Floor, Lalji Naranji Memorial Indian Merchants'
Chamber Building Trust (IMC Bldg.),
Churchgate, Mumbai - 400020

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



NOTICE FOR THE TWENTY FOURTH ANNUAL GENERAL MEETING:

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Tuesday the 29th September, 2015 at 3.30 p.m. at Walchand Hirachand Hall, 4th Floor, Lalji Naranji Memorial Indian Merchants' Chamber Building Trust (IMC Bldg.), Churchgate, Mumbai - 400 020 to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including the Balance Sheet as at 31st March, 2015 and the statement of Profit & Loss Account of the Company for the financial year ended 31st March, 2015 and the Reports of the Directors and Auditors thereon:
2. To declare a dividend on the portion of the Equity Shares held by the public for the financial year ended 31st March, 2015.
3. Re-Appointment of Statutory Auditors:

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

"RESOLVED THAT, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 ("Act"), read with the Companies (Audit & Auditors) Rules, 2014 framed there under, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), pursuant to the recommendations of the audit committee of the board of directors and pursuant to the resolution passed by the members at the Annual General Meeting (AGM) held on 12th September 2014, the appointment of M/s. Chaturvedi & Co., (ICAI Firm Registration No.302137E) Chartered Accountants as the Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the board of directors be and is hereby authorised to fix the remuneration plus service tax, out-of-pocket travelling and living expenses, etc., payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors and such remuneration as may be agreed between the auditors and Board of Directors."

SPECIAL BUSINESS:

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

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

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

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

6. Re-appointment of Managing Director:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 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.
- 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.
- All factors relevant to the contract have been considered as mentioned above.
- There are no advance payments made or received in respect of above transactions.

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

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

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

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

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

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any committee

of Directors of the company or to any Director of the company or the Company Secretary or any other officer(s) or employee(s) of the company as it may consider appropriate in order to give effect to this Resolution."

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai

Dated : 29/05/2015

NOTES :

- Since the promoters and promoter group/PAC have expressed their desire in writing to waive their entitlement on the profit distribution in the form of dividend if any declared by the company for the year 2014-15, the Board has recommended a dividend at the rate of Rs.0.50 per Equity Share of the company, exclusively on the portion of the equity capital held by the public as on 31st March 2015.
- A member entitled to attend and vote at the above Meeting may appoint one or more Proxies to attend and vote instead of him. The Proxy need not be a member of the Company. Proxy form to be valid shall be deposited with the company not later than forty eight hours before the time for holding the meeting. A proxy form for AGM is enclosed.
The business set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are sent along with the Notice.
- The relevant details in respect of Item No.4 & 5 pursuant to clause 49 of the Listing agreements with the Stock Exchanges are annexed hereto.
- The Register of members and the Share Transfer Books of the Company will remain closed from Tuesday the 22nd September, 2015 to Tuesday the 29th September, 2015 (both days inclusive) for the purpose of payment of dividend.
- Members are also requested to notify immediately of any change in their address to the Company/Share Transfer Agents.
- To avoid the incidence of fraudulent encashment of dividend warrants, Members are requested to intimate the Company/Registrar and Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. under the signature of the sole/first joint holder, the following information, so that the Bank Account No., Name and Address of the Bank can be printed on the dividend warrants:
 - Name of Sole / First Joint holder and Folio No.
 - Particulars of Bank Account, viz.
 - Name of Bank
 - Name of Branch
 - Complete address of Bank with Pin Code
 - Account type, whether Saving Account (SB) or Current Account (CA)
 - Account No. allotted by the Bank.
- Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
- All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays and Holidays between 10.30 a.m. to 5.00 p.m. up to the date of the Annual General Meeting.

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



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

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos.4 to 8 of the accompanying Notice dated May 29, 2015:

Item No.4:

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

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

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

Item No.5 & 6:

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

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

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

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

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

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

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

Item No.7:

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

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

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

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

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

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

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

Item No.8:

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

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

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

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

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

H.Gopalkrishnan
Company Secretary & V.P. Finance

Place : Mumbai
Dated : 29/05/2015

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



SHAREHOLDER INSTRUCTIONS FOR E-VOTING

**VOTING THROUGH ELECTRONIC
MEANS - INSTRUCTIONS**

Pursuant to the provisions of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the listing agreement, the company is pleased to offer e-voting facility to members to exercise their votes electronically on all resolutions set forth in the notice convening the Twenty Fourth Annual General Meeting to be held on Tuesday the 29th September, 2015 at 3.30 p.m. The company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility.

The company has appointed Shri. Shiv Hari Jalan, Company Secretary as the scrutinizer for conducting the e-voting process in a fair and transparent manner. E-voting is optional. The e-voting rights of the shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 22nd September, 2015.

The instructions for shareholders voting electronically are as under:

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

company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<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>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Suditi Industries Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Note for Non - Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- Other Information:-**
- (i) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date (record date) of 22nd September, 2015.
- (ii) Since the company is required to provide members the facility to cast their vote by electronic means, shareholders of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote at the AGM venue. Facility will be available at the venue.
- (iii) The scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, first count the votes at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the chairman.
- (iv) The chairman shall declare the result of the voting forthwith. The results declared along with the scrutinizer's report shall be placed on the company's website www.suditi.in and on the website of CDSL and shall simultaneously forward the results to BSE Limited.
- (v) Voting will be provided to the members through e-voting and/or at the AGM venue. A member can opt for only one mode of voting i.e. either through e-voting or voting at the AGM. If a member casts votes by both modes, then voting done through e-voting shall prevail and the voting at AGM shall be treated as invalid.

SUDITI INDUSTRIES LTD



DIRECTORS' REPORT:

Dear Shareholders,

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

Financial Results: (Rs. in Lakhs)

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

* Refer appropriations in the Reserves and Surplus

Dividend:

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

Operations:

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

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

The company continued the revamping task undertaken in the previous year in order to strengthen the operations of the Retail division to make it a profitable business. Many unviable outlets were discontinued including the outlets opened under Large Format Stores (LFS) models like Reliance/Maya etc. In its place the company has started new counters through other LFS like Wall Mart, Shoppers Stop, Lifestyle and Arvind Megamart. Another major step taken by the company during the year is the expansion of business through on line sales network like Flip kart, Jabong, Myntra etc. Further the company is also using other social network to expand the reach of the products to the actual users. The company has also plans to expand the sales network through other media like Television channels and other social media. Finally regarding the pending EPCG License issue, the company is actively pursuing the matter with DGFT office to resolve the matter at the earliest.

Export Sales:

The overall export performance for the year is not as per the estimates made by the company. This is mainly due to prevailing unfavorable economic and market conditions for clothing and other apparels in the European market and other parts of the world. Hence the company continued to remain focused maximum in the local market. The exports were mainly sent in the form of finished fabrics to neighboring countries like Bangladesh. The company is exploring the possibility of increasing the volume of fabric shipments to Bangladesh which again depends upon the global economic conditions as Bangladesh mainly caters to the export market. The company continues its efforts to find the possibility of developing new markets in African and Far East countries. However much depends upon the positive changes in the global economic conditions particularly in the US and European economies. The objective of the company is to achieve the target of exporting 50% of its capacity to the overseas customers with better value addition. Further efforts are continued to align with some reputed brands in the overseas market to promote the exports in large volume.

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

FIFA 2014 (Foot Ball World Cup - Brazil):

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

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Expansion:

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

Human Resources & Industrial Relations:

The Company treats its "human resources" as one of its most important assets. The Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Industrial relations with the employees at the Company's plant at MIDC, TTC Industrial Area, Pawne Village, Navi Mumbai and in the other locations continue to remain healthy and cordial.

Share capital:

During the year under review, the company has not any issued any class of shares like shares with preferential rights or sweat equity shares and accordingly there is no change in the Subscribed and Issued capital.

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

The company had granted options to the employees in the year 2013 under the Suditi Employee Stock Option Plan 2011. Each option is equal to one share at par (Rs.10/- each) being the price fixed for exercising the right. To facilitate the employees to exercise their right to buy the options granted to them, the Company has divided the total options granted on certain prescribed basis over a period of 5 years. The share arising on exercise of the options shall be subject to a lock in period of 1 year from the date of allotment. The two parts of the grant has been vested till the date of 31st March 2015. The details are as follows:

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

The disclosure of the details is as follows:-

- Options granted & Accepted; 219500
- The pricing formula; At par
- Options vested; 58075
- Options exercised; Nil
- The total number of shares arising as a result of exercise of option; Nil
- Options lapsed; 59200
- Variation of terms of options; NA
- Money realised by exercise of options; Nil
 - Total number of options in force; 219500
 - Employee wise details of options granted to:-
 - Senior managerial personnel; 206000
 - Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year. Nil
 - identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; Nil

- Diluted Earnings per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 ['Earnings Per Share']. No options are exercised till date. Based on the options vested EPS is Rs.58/.

- Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

The impact on account of this will reduce the profits by Rs.970433/- and accordingly on proforma basis the company's basic and diluted earnings would have been Rs.0.59 and Rs.0.58 respectively.

- 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
- 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:
 - Risk-free interest rate, 8.52%
 - Expected life, 5 years
 - Expected volatility, 4.72%
 - Expected dividends, Rs. 0.50 per share
 - The price of the underlying share in market at the time of option grant.] Rs.7.68

Meetings:

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

Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The details have been explained in the Corporate Governance Report.

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

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

Remuneration Policy:

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