



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

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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 : sharexindia@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:

- 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 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."

- 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."

- 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).



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

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.

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.

The instructions for shareholders voting electronically are as under:

- (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.
- (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	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

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

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