

SEBI Registration No.: INM000012052

The General Manager- Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

September 12, 2022

Dear Sir/Madam,

Subj.: Issue of 97,52,290 Equity Shares at a price of Rs. 30 per Equity Share ('Issue Price') ('Rights Issue') for an amount aggregating to Rs. 2,925.69 Lakhs on a Rights Issue basis to the Eligible Shareholders of Suditi Industries Limited ('Company' or 'Issuer')

We are pleased to inform you that we have been appointed as the 'Lead Manager to the Offer' by the Company for aforementioned Rights Issue.

The Equity Shares of Suditi Industries Limited (Scrip #: 521113) are listed on BSE Limited. Following is the activity Schedule for the said Rights Issue:

Activity Schedule	Dates
Issue Opening Date	Thursday, September 15, 2022
Last Date of On Market Renunciation	Friday, September 16, 2022
Issue Closing Date	Wednesday, September 21, 2022

For further details regarding the activity, kindly refer to page 273 of the Letter of Offer enclosed herewith.

In this regard and in accordance with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, please find attached herewith:

- i. Letter of Offer
- ii. Abridged Letter of Offer
- iii. Application Form
- iv. Rights Entitlement Letter

(The aforesaid documents are hereinafter collectively referred to as 'Offer Documents')

Further, we have incorporated the changes in the Letter of Offer (LOO) as advised. We have also updated the Letter of Offer, with the latest information and changes that have taken place after the receipt of observations.

We request you to kindly take the same on record and arrange to have the above Offer documents uploaded on your website for dissemination to the public.

Thanking you,

Yours faithfully,

For Chartered Finance Management Private Limited
(Formerly Known as Chartered Finance Management Limited)

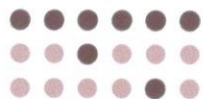
R. Ramnath

President

Investment Banking & Equity Capital Markets



Encls.: As Above



CFM

Chartered Finance Management Private Limited
(Formerly known as Chartered Finance Management Limited)
2nd Flr, Wakefield House, Sprott Rd,
Ballard Estate, Mumbai - 400 038.
T: (+91-22) 2269 6944
CIN : U99999MH1999PTC122702

THINK TRUST

www.charteredfinance.in

ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER**FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated August 30, 2022 (“**Letter of Offer**”) which is available on the websites of the Registrar, our Company, and the Stock Exchange where the equity shares of our Company are listed i.e. BSE Limited. You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the same meaning as ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the Registrar’s website at www.linkintime.co.in and the Company’s website at www.suditi.in, the Letter of Offer, this Abridged Letter of Offer along with the Rights Entitlement Letter and Application Form to the Eligible Equity Shareholders. You may also download the Letter of Offer from the website of the Securities & Exchange Board of India (“**SEBI**”) and the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**”/ “**Stock Exchange**”), i.e., www.sebi.gov.in and www.bseindia.com, respectively. Application Form is also available on the respective websites of the Company, Registrar and the Stock Exchange.

**SUDITI INDUSTRIES LIMITED**

Registered & Corporate Office: C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India

(For changes in Registered Office, please refer to page 47 of the Letter of Offer)

Tel: +91 22-67368600; **Contact Person:** H. Gopalkrishnan, Company Secretary and Compliance Officer

E-mail: rights.issue@suditi.in; **Website:** www.suditi.in

Corporate Identification Number: L19101MH1991PLC063245

PROMOTERS OF OUR COMPANY: PAWAN KISHORILAL AGARWAL, SHALINI PAWAN AGARWAL & RAJENDRA KISHORILAL AGARWAL

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 97,52,290 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹20 PER EQUITY SHARE) (THE “ISSUE PRICE”), FOR AN AMOUNT AGGREGATING UPTO ₹2925.69 LAKHS# ON A RIGHTS BASIS TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARE(S) FOR EVERY 9 (NINE) FULLY PAID-UP EQUITY SHARE(S) HELD BY SUCH EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, SEPTEMBER 6, 2022 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 246 OF THE LETTER OF OFFER.

Assuming full subscription

Listing Details: The Equity Shares of our Company are listed on BSE. Our Company has received “In-Principle” approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter number DCS/RIGHT/KK/FIP/2269/2022-23 dated May 31, 2022. Our Company will also make application to the Stock Exchange to obtain its trading approval for the Right Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/ CIR/P/2020/13 dated January 22, 2020. For the purposes of this Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to a rights issue, you may refer to the section titled “*Terms of the Issue*” on page 246 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of our Company, Stock Exchange, SEBI and Registrar as stated above. You can also request for the hard copy of the Letter of offer.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable. The above is subject to the terms mentioned under “*Terms of the Issue*” on page 246 of the Letter of Offer.

INDICATIVE TIMETABLE

Issue Opening Date	Thursday, September 15, 2022	Date of Allotment (on or about)	Tuesday, September 27, 2022
Last Date for On Market renunciation#	Friday, September 16, 2022	Date of Credit of Rights Equity shares to demat account of Allottees (on or about)	Thursday, September 29, 2022
Issue Closing Date*	Wednesday, September 21, 2022	Date of listing/ commencement of trading of Rights Equity Shares on the Stock Exchanges (on or about)	Monday, October 03, 2022
Finalization of Basis of Allotment with the Designated Stock Exchange (on or about)			Tuesday, September 27, 2022

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Issue Material and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, the Lead Manager and the BSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer, and the Application Form from the websites of the Registrar, our Company and the BSE. Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

NO OFFER IN THE UNITED STATES THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIAL AND RIGHTS ENTITLEMENT LETTERS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in this Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” on page 30 of the Letter of Offer.

Name of Lead Manager and contact details	<p>CHARTERED FINANCE MANAGEMENT PRIVATE LIMITED (Formerly known as Chartered Finance Management Limited) 2nd Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai – 400038, Maharashtra, India Tel. No.: +91 22 22696944 / 22675708 Email: rights.issue@cfml.in Website: www.charteredfinance.in Investor Grievance Email: investor.grievance@cfml.in Contact Person: Mr. R. Ramnath SEBI Registration No.: INM000012052</p>
Name of Registrar to the Issue and contact details	<p>Link Intime India Private Limited Address: C – 101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India; Tel.: +91 22 4918 6200; Facsimile: +91 22 4918 6195; E-mail: suditi.rights@linkintime.co.in; Investor grievance: suditi.rights@linkintime.co.in; Website: www.linkintime.co.in; Contact person: Mr. Sumeet Deshpande SEBI Registration No: INR000004058</p>
Banker to Issue	<p>ICICI Bank Limited Address: Capital Market Division, 5th Floor, 163, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400020, Maharashtra, India. Tel. No.: +91 22 68052185 Fax No.: +91 22 22611138 E-mail: amandeep.arora@icicibank.com Website: www.icicibank.com Contact person: Mr. Amandeep Arora SEBI Registration No: INBI00000004</p>
Name of Statutory Auditor	<p>M/s. Chaturvedi & Partners Chartered Accountants Address: 404, Apollo Complex Premises Co-operative Society Limited R.K. Singh Marg, Off Parsi Panchayat Road, Andheri (East), Mumbai - 400069 Tel: +91 22 46037794; +91 9819326977 Email: candp1977@gmail.com Contact Person: CA Siddharth Punamiya Membership No.: 148540 Contact Person Email: siddharth.punamiya@gmail.com Firm Registration No.: 307068E Peer Review Certificate No.: 014285</p>
Self-Certified Syndicate Banks (“SCSBs”)	<p>The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.</p>

SUMMARY OF BUSINESS

Our Company was incorporated in the year 1991 and has evolved as a company with a vertically integrated apparel infrastructure engaged in the areas of fabric processing, garment manufacturing, retail and distribution. It began initially as a processing plant and has now developed a comprehensive ecosystem covering knitting, dyeing, printing, finishing and garmenting. The Company’s brands are available with most major offline and online retailers; with presence in about 5 cities and our Company’s subsidiaries has around 15 Point of Sales pan-India. For further details, please refer to the chapter titled “Business Overview” at page 81 of the Letter of Offer.

SUMMARY OF OBJECTS OF THE ISSUE AND REQUIREMENT OF FUNDS

Qualitative Object

The details of Objects of the Issue are forth in the following table:

		(₹ In Lakhs)
Particulars		Amount
i. Augmentation of existing and incremental Working Capital requirement of our Company		1229.17
ii. Part repayment or prepayment of Unsecured Loans / Inter-Corporate Deposits availed by our Company from our Promoter Mr. Pawan Kishorilal Agarwal, and our Promoter group entity viz., Black Gold Leasing Private Limited		1200.00
iii. Part repayment or pre-payment of certain secured loans availed from lenders		450.00
iv. Issue related purposes		46.52
Gross Proceeds from the Issue		2925.69

The details of the Net Proceeds are set forth in the following table:

		(₹ In Lakhs)
Particulars		Amount
Gross Proceeds from the Issue		2925.69
Less: Adjustment of Unsecured loans against the entitlement (including additional subscription, if any) of Promoter and Promoter Group Companies		(1200.00)
Less: Issue related Expenses		(46.52)
Net Proceeds from the Issue		1679.17

For further details, please see chapter titled “*Objects of the Issue*” beginning on page 62 of the Letter of Offer.

Requirement of Funds:

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

NAME OF MONITORING AGENCY

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON JUNE 30, 2022

Sr. No.	Particulars	Pre Issue number of shares	% Holding of Pre Issue
1.	Promoter and Promoter Group	1,17,72,393	67.06
2.	Public	57,81,730	32.94
	Total	1,75,54,123	100.00

BOARD OF DIRECTORS

Name	Designation	Other Directorship
Mr. Pawan Kishorilal Agarwal	Chairman	<ul style="list-style-type: none"> ➤ Intime Knits Private Limited ➤ SAA & Suditi Retail Private Limited ➤ Suditi Design Studio Limited ➤ Black Gold Leasing Private Limited ➤ Lehar Investrade Private Limited ➤ R Piyarelal Private Limited ➤ Suditi Sports Apparel Limited
Mr. Rajagopal Raja Chinraj	Executive Director & CEO	<ul style="list-style-type: none"> ➤ Chendur Dress Manufacturers Private Limited ➤ VE Laxmi Exim LLP
Mr. Vivek Gangwal	Independent Director	<ul style="list-style-type: none"> ➤ Shree Swami Leela Developers Private Limited ➤ Soba Infosec Private Limited

Ms. Sanjula Sanghai	Independent Director	<ul style="list-style-type: none"> ➤ Provincial Housing and Property Limited ➤ Bow Balaleshwar Minings Private Limited ➤ Balaji Prints Limited ➤ Citer Holdings Private Limited ➤ White Rose Finvest Private Limited ➤ Cipolin Investments Private Limited ➤ Fresh India Organics Import Export LLP ➤ Polki Jewels LLP
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Details of the Issuer or any of its promoters or directors being a willful defaulter or a fraudulent borrower: Neither the Issuer, nor any of its promoters or directors are willful defaulter or a fraudulent borrower.

CONSOLIDATED FINANCIAL INFORMATION

(₹ in lakhs)

Particulars	Unaudited	Restated Audited		
	For the period ended at March 31, 2022	For the year ended at March 31, 2022	For the year ended at March 31, 2021	For the year ended at March 31, 2020
Total Income from operations (Net)	3,061.68	10,328.32	5,012.79	9,487.85
Net Profit/(loss) before tax and extraordinary items	3.16	(2116.54)	(1824.64)	(177.96)
Net Profit/(loss) after tax and extraordinary items	1.77	(2,637.49)	(2,355.97)	(1,032.92)
Equity Share Capital	1,755.41	1,755.41	1,755.41	1,755.41
Reserves and Surplus	(3,716.16)	(3718.44)	(1075.46)	1,273.59
Net Worth	(1,960.74)	(1,963.03)	679.96	3,029.00
Basic Earnings per share (Rs.)	0.01	(15.00)	(13.42)	(5.81)
Diluted Earnings per share (Rs.)	0.01	(15.00)	(13.42)	(5.81)
Return on net worth (%)	(0.08)%	(134.36)%	(346.49)%	(34.10)%
Net asset value per share (Rs.)	(11.17)	(11.18)	3.87	17.26

INTERNAL RISK FACTOR- TOP 5 RISK FACTORS AS PER THE LETTER OF OFFER

- 1) The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.
- 2) There are certain outstanding litigations against our Company, and Subsidiaries/Joint Venture companies, that if determined against us, could have a material adverse impact on our financial condition and results of operations
- 3) The Company has further delayed filing of certain disclosures with the Stock Exchange under the Listing Regulations, in the past.
- 4) An amount of ₹482.54 Lakhs was outstanding to MSME Companies as at the end of March 31, 2022 and ₹589.61 Lakhs was outstanding at the end of the three-month period ended June 30, 2022.
- 5) The Company is non-complaint in terms of not having a Chief Financial Officer (CFO) as per the provisions of section 203 of the Companies Act, 2013 whereby every public Company having a paid-up share capital of ₹ 10 Crores or more shall have a whole time key managerial personnel, which includes whole time Chief financial officer.

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of outstanding litigation proceedings pertaining to our Company as on the date of the Letter of Offer is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Indirect Tax matters	12	297.29
Material Civil litigations	2	23.07

**To the extent quantifiable*

ii) Cases filed by our Company

Nature of Litigation	No. of matters outstanding	Amount involved*
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	<i>(₹ In Lakhs)</i>	
Indirect Tax matters	-	-
Material Civil litigations	17	86.77

**To the extent quantifiable*

b) Litigations involving our Joint Venture and Subsidiary Company(ies)

i) Cases filed against our Subsidiary:

Nature of Litigation	No. of matters outstanding	Amount involved* <i>(₹ In Lakhs)</i>
Material Civil litigations	1	2.77

**To the extent quantifiable*

ii) Cases filed by our Joint Venture company:

Nature of Litigation	No. of matters outstanding	Amount involved* <i>(₹ In Lakhs)</i>
Material Civil litigations	1	1.99

**To the extent quantifiable*

For further details, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 231 of this Letter of Offer.

TERMS OF ISSUE

In accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the ALOF, the Application Form, the Rights Entitlement Letter, and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the ALOF, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the ALOF, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Investors can access the LOF, the ALOF and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of our Company at www.suditi.in, the Registrar at www.linkintime.co.in; and the Stock Exchanges at www.bseindia.com.

Procedure for Application

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA For details, see ‘*Procedure for Application through the ASBA Process*’ on page 258 of the Letter of Offer.

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouces, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘*Grounds for Technical Rejection*’ on page 271 of the Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants. Procedure for Application through the ASBA process.

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Making of an Application through the ASBA facility:

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Application on Plain Paper under ASBA process*" at page 261 of the Letter of Offer.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter. Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company. In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: INE691D20012. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper, in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Issuer, being Suditi Industries Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/ DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option preferred - only Demat form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for;
8. Number of Additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for within the Right Entitlements;
10. Total amount paid at the rate of ₹30 per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. Additionally, all such Applicants are deemed to have accepted the following:

“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended (“US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“United States”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“Regulation S”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self- attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 261 of the Letter of Offer.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 9 (Nine) Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 9 (Nine) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Share(s) or not in the multiple of 9 (Nine), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Also, those Equity Shareholders holding less than 9 (Nine) Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Procedure for Renunciation of Rights Entitlement

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investor.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE691D20012 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Thursday, September 15, 2022 to Friday, September 16, 2022 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE691D20012 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE691D20012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- v. renounce its Rights Entitlements in full.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 246 of the Letter of Offer. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 273 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Withdrawal of Application

No Investor applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Intention and extent of participation by the Promoter and Promoter Group

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated March 25, 2022 (the "Subscription Letters") indicated their intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they intend applying for and subscribing to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations. Our Company is in compliance

with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Our Promoter (Mr. Pawan Kishorilal Agarwal) and Promoter Group (Black Gold Leasing Private Limited) have vide letters dated March 25, 2022 requested our Company to adjust unsecured loans of ₹750 lakhs and ₹450 lakhs respectively aggregating to ₹1200 lakhs against their entitlement, including additional subscription, if any instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for repaying the unsecured loans amounting to ₹1,200 lakhs availed from the remaining members of the Promoter and Promoter Group.

For further details, please see the chapter titled “*Capital Structure*” beginning on page 54.

Availability of offer document of the immediately preceding public issue or rights issue for inspection: Available


DECLARATION BY THE COMPANY

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- Pawan Kishorilal Agarwal DIN: 00808731 Chairman	Sd/- Rajagopal Raja Chinraj DIN: 00158832 Executive Whole-time Director &CEO	Sd/- Vivek Gangwal DIN: 01079807 Independent Director	Sd/- Sanjula Sanghai DIN: 00049344 Independent Director
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Place: Navi Mumbai
Date: August 30, 2022

APPLICATION FORM FOR ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY AND RENOUNCES ONLY USING ASBA FACILITY	 <p>SUDITI INDUSTRIES LIMITED Corporate Identification Number: L19101MH1991PLC063245 Registered & Corporate Office: C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India (For changes in Registered Office, please refer to page 47 of the Letter of Offer)</p> <p>Tel: +91-22-67368600; Contact Person: H. Gopalkrishnan, Company Secretary and Compliance Officer E-mail: rights.issue@suditi.in; Website: www.suditi.in</p>	NOT INTENDED FOR ELIGIBLE EQUITY SHAREHOLDERS IN THE UNITED STATES		
Application No.		ISSUE OPENS ON	THURSDAY, SEPTEMBER 15, 2022	
Collecting SCSB's Sign & Seal		LAST DATE FOR ON MARKET RENOUNCIATION*	FRIDAY, SEPTEMBER 16, 2022	
Please read the letter of offer dated August 30, 2022 (“Letter of Offer” or “LOF”), the Abridged Letter of Offer, the Rights Entitlement Letter and instructions on the reverse of this Application Form carefully. All capitalised terms not defined herein shall carry the same meaning as ascribed to them in the Letter of Offer. DO NOT TEAR OR DETACH ANY PART OF THIS APPLICATION FORM THIS DOCUMENT IS NOT NEGOTIABLE.		ISSUE CLOSES ON#	WEDNESDAY, SEPTEMBER 21, 2022	
ISSUE OF UPTO 97,52,290 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹20 PER EQUITY SHARE) (THE “ISSUE PRICE”), FOR AN AMOUNT AGGREGATING UPTO ₹2925.69 LAKHS# ON A RIGHTS BASIS TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARE(S) FOR EVERY 9 (NINE) FULLY PAID-UP EQUITY SHARE(S) HELD BY SUCH EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, SEPTEMBER 6, 2022 (THE “ISSUE”). # Assuming full subscription				

To,
The Board of Directors,
SUDITI INDUSTRIES LIMITED
Dear Sirs,

Date: _____

- I/We hereby accept and apply for Allotment of the Rights Equity Shares (including additional Rights Equity Shares, if applicable) mentioned in **Block I of Point 5** below in response to the Abridged Letter of Offer/Letter of Offer offering the Equity Shares to me/us on rights basis.
- I/We agree to pay the amount specified in **Block II of Point 5** below at the rate of ₹ 30/- per Rights Equity Share payable on Application on the total number of Rights Equity Shares specified in **Block I of Point 5** below.
- I/We agree to accept the Rights Equity Shares Allotted to me/us and to hold such Rights Equity Shares upon the terms and conditions of the Abridged Letter of Offer, Letter of Offer, this Application Form, Rights Entitlement Letter and subject to the provisions of the Companies Act, 2013, SEBI ICDR Regulations, as applicable and the rules made thereunder and the Memorandum and Articles of Association of the Company.
- I/We undertake that I/we will sign all such other documents and do all other such acts, if any, necessary on my/our part to enable me/us to be registered as the holder(s) of the Equity Shares in respect of which this application may be accepted.
- I/We also agree to accept the Rights Equity Shares subject to laws, as applicable, guidelines, circulars, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI/Government of India/RBI and/or other authorities.
- I/We hereby solemnly declare that I am/we are not applying for the Rights Equity Shares in contravention of section 269SS of the Income-tax Act.
- I/We authorise you to place my/our name(s) on the Register of Shareholders / Register of Beneficial of the Company.
- I/we hereby accept and confirm the following:**

I/ We understand that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States of America and may not be offered or sold in the United States of America, its territories and possessions, any State of the United States, and the District of Columbia United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws.

I/ We understand that the Rights Entitlements and Rights Equity Shares are being offered and sold only (a) to persons in the United States who are reasonably believed to be qualified institutional buyers as defined in Rule 144A under the Securities Act (“U.S. QIBs”) pursuant to Section 4(a)(2) of the Securities Act and (b) to persons outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.

GENERAL INSTRUCTIONS

- a) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" of the Letter of Offer.
- d) Applications should be (i) submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and / or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.
- j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID / Folio number should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or in accurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Please note that ASBA Applications may be submitted at all designated branches of the SCSBs available on the SEBI website at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
- n) **Please note that Applications without depository account details shall be treated as incomplete and shall be rejected.**
- o) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- p) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- q) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- r) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.
- s) Do not pay the Application Money in cash, by money order, pay order or postal order.
- t) Do not submit multiple Applications.
- u) **The Investors shall submit only one Application Form for the Rights Entitlements available in a particular demat account.** In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations such the Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts; the Investors are required to submit the Application Form separately from each demat account.
- v) Ensure that your PAN is linked with Aadhar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

LAST DATE FOR APPLICATION
<p>The last date for submission of the duly filled in the Application Form or a plain paper Application is September 21, 2022, i.e., Issue Closing Date. Our Board or any committee there of may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).</p> <p>If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as maybe extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in “Basis of Allotment” as per letter of offer.</p> <p>Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges</p> <p>Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.</p>

WITHDRAWAL OF APPLICATION
<p>A Shareholder who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their Application post the Issue Closing Date.</p>

LIST OF SELF CERTIFIED SYNDICATE BANKS (SCSBs)
<p>The list of banks who have registered with SEBI to act as SCSBs for the ASBA Process is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34</p> <p>For this Issue, following banks would be acting as SCSB:</p> <p>1. Ahmedabad Mercantile Co-Op Bank Ltd; 2. AU Small Finance Bank Limited; 3. Axis Bank Ltd; 4. Bandhan Bank; 5. Bank of Baroda; 6. Bank of India; 7. Bank of Maharashtra; 8. Barclays Bank PLC; 9. BNP Paribas; 10. Canara Bank; 11. Catholic Syrian Bank Limited; 12. Central Bank of India; 13. CITI Bank NA; 14. City Union Bank Ltd.; 15. DBS Bank Ltd.; 16. DCB Bank Ltd.; 17. Deutsche Bank; 18. Dhanlaxmi Bank Limited; 19. Equitas Small Finance Bank; 20. GP Parsik Sahakari Bank Limited; 21. HDFC Bank Ltd.; 22. HSBK Ltd.; 23. ICICI Bank Ltd; 24. IDBI Bank Ltd.; 25. IDFC FIRST Bank; 26. Indian Bank; 27. Indian Overseas Bank; 28. IndusInd Bank; 29. J P Morgan Chase Bank, N.A.; 30. Jammu and Kashmir bank; 31. Janata Sahakari Bank Ltd.; 32. Karnataka Bank Ltd.; 33. Karur Vysya Bank Ltd.; 34. Kotak Mahindra Bank Ltd. 35. Mehsana Urban Co-operative Bank Limited; 36. Nutan Nagarik Sahakari Bank Ltd.; 37. Punjab & Sind Bank; 38. Punjab National Bank; 39. Rajkot Nagarik Sahakari Bank Ltd; 40. RBL Bank Limited; 41. South Indian Bank; 42. Standard Chartered Bank; 43. State Bank of Bikaner and Jaipur; 44. State Bank of Hyderabad; 45. State Bank of India; 46. State Bank of Mysore; 47. State Bank of Patiala; 48. State Bank of Travencore; 49. SVC Co-operative Bank Ltd.; 50. Syndicate Bank; 51. Tamilnad Mercantile Bank Ltd. 52. The Ahmedabad Mercantile Co-Op. Bank Ltd.; 53. The Federal Bank; 54. The Jammu & Kashmir Bank Limited; 55. The Kalupur Commercial Co-operative Bank Ltd.; 56. The Lakshmi Vilas Bank Ltd.; 57. The Saraswat Co-Opearative Bank Ltd; 58. The Surat Peoples Co-op Bank Ltd; 59. TJSB Sahakari Bank Ltd; 60. UCO Bank; 61. Union Bank of India; and 62. YES Bank Ltd.</p>

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Final Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Final Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.


Shareholders can access this Final Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

- (i) Our Company at www.suditi.in
- (ii) The Registrar at www.linkintime.co.in
- (iii) The Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.suditi.in).

The Investors can visit following links for the below-mentioned purposes:

- (a) Frequently asked questions and online / electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.linkintime.co.in
- (b) Updation of / e-mail address / phone or mobile number in the records maintained by the Registrar or our Company: www.linkintime.co.in
- (c) Updation of Indian address by way of sending an email to www.linkintime.co.in
- (d) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in
- (e) Submission of self-attested PAN, client mastersheet and demat account details by non-resident Eligible Equity Shareholders: www.linkintime.co.in

COMPANY	LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
		
<p>SUDITI INDUSTRIES LIMITED C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India Tel. : +91 22 67368600; E-mail rights.issue@suditi.in Website: www.suditi.in Contact Person: Mr. H. Gopalkrishnan CIN: L19101MH1991PLC063245</p>	<p>CHARTERED FINANCE MANAGEMENT PRIVATE LIMITED 2nd Floor, Wakefield House, Sprott Road, Ballard Estate, Mumbai – 400038, Maharashtra, India Tel.: +91 22 22696944 / 22675708 Website www.charteredfinance.in Email: rights.issue@cfml.in Investor Grievance ID: investor.grievance@cfml.in Contact Person: Mr. R. Ramnath SEBI Registration No: INM000012052</p>	<p>LINK INTIME INDIA PRIVATE LIMITED C-101, 1st Floor, 247 Park LBS Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 022 49186200; Fax: +91 022 49186195 Website: www.linkintime.co.in Email: suditi.rights@linkintime.co.in Investor Grievance ID: suditi.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058</p>

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process see “Terms of the Issue” beginning at page 246 of the Letter of Offer.



Letter of Offer
 Dated: August 30, 2022
 For Eligible Shareholders Only

SUDITI INDUSTRIES LIMITED

Suditi Industries Limited ("Company" or "Issuer") was originally incorporated as Suditi Hosiery Processors Limited on September 12, 1991, in Mumbai under the Companies Act, 1956. Subsequently the name of our company was changed to Suditi Industries Limited vide fresh Certificate of Incorporation consequent to change of name dated October 21, 1994, issued by the office of Registrar of Companies, Mumbai - Maharashtra

Registered & Corporate Office: C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India

(For changes in Registered Office, please refer to page 47 of this Letter of Offer)

Tel: +9122-67368600; **Contact Person:** H. Gopalkrishnan, Company Secretary and Compliance Officer

E-mail: rights.issue@suditi.in; **Website:** www.suditi.in

Corporate Identification Number: L19101MH1991PLC063245

OUR PROMOTERS - PAWAN KISHORILAL AGARWAL, SHALINI PAWAN AGARWAL & RAJENDRA KISHORILAL AGARWAL

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SUDITI INDUSTRIES LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UPTO 97,52,290 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹20 PER EQUITY SHARE) (THE "ISSUE PRICE"), FOR AN AMOUNT AGGREGATING UPTO ₹2925.69 LAKHS# ON A RIGHTS BASIS TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARE(S) FOR EVERY 9 (NINE) FULLY PAID-UP EQUITY SHARE(S) HELD BY SUCH EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, SEPTEMBER 6, 2022 (THE "ISSUE").

Assuming full subscription

THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS 3.0 TIMES THE FACE VALUE OF THE EQUITY SHARE

FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 246 OF THIS LETTER OF OFFER

Amount payable per Rights Equity Share	Face Value (in ₹)	Premium (in ₹)	Total (in ₹)
On Application	10	20	30
Total	10	20	30

* For further details on Payment Schedule, see "Terms of the Issue" on page 246

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

We hereby confirm that neither our Company, nor any of our Promoters or Directors has been categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India as on date of this Letter of Offer.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in this Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Letter of Offer. Specific attention of the investors is invited to the section titled "Risk Factors" on page 30 of this Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE/ "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter number DCS/RIGHT/KK/FIP/2269/2022-23 dated May 31, 2022. Our Company will also make applications to the BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 CHARTERED FINANCE MANAGEMENT PRIVATE LIMITED (Formerly known as Chartered Finance Management Limited) 2 nd Floor, Wakefield House, Spratt Road, Ballard Estate, Mumbai – 400038, Maharashtra, India Tel. No.: +91 22 22696944 / 22675708 Email: rights.issue@cfml.in Website: www.charteredfinance.in Investor Grievance Email: investor.grievance@cfml.in Contact Person: Mr. R. Ramnath SEBI Registration No.: INM000012052	 LINK INTIME INDIA PRIVATE LIMITED C -101, 1 st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India Tel: +91 22 4918 6200 Fax: +91 22 4918 6195 Email: suditi.rights@linkintime.co.in Website: www.linkintime.co.in Investor Grievance Email: suditi.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION	ISSUE CLOSES ON
THURSDAY, SEPTEMBER 15, 2022	FRIDAY, SEPTEMBER 16, 2022	WEDNESDAY, SEPTEMBER 21, 2022

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date

** Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

TABLE OF CONTENTS

SECTION I - GENERAL	1
DEFINITIONS AND ABBREVIATIONS.....	1
NOTICE TO OVERSEAS INVESTORS.....	12
ENFORCEMENT OF CIVIL LIABILITIES.....	15
PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA.....	17
FORWARD LOOKING STATEMENTS.....	20
SECTION II – SUMMARY OF THIS LETTER OF OFFER	23
SECTION III – RISK FACTORS	30
SECTION IV – INTRODUCTION	45
THE ISSUE.....	45
GENERAL INFORMATION.....	47
CAPITAL STRUCTURE.....	54
SECTION V – PARTICULARS OF THE ISSUE	62
OBJECTS OF THE ISSUE.....	62
STATEMENT OF TAX BENEFITS.....	70
KEY INDUSTRY REGULATIONS.....	73
SECTION VI – ABOUT THE ISSUER COMPANY	74
INDUSTRY OVERVIEW.....	74
BUSINESS OVERVIEW.....	81
OUR MANAGEMENT.....	99
OUR PROMOTERS.....	110
RELATED PARTY TRANSACTIONS.....	111
DIVIDEND POLICY.....	112
SECTION VII – FINANCIAL INFORMATION	113
STATEMENT OF ACCOUNTING RATIOS.....	207
MANAGEMENT’S DISCUSSION & ANALYSIS OF FINANCIAL POSITION & RESULTS OF OPERATIONS.....	209
CAPITALISATION STATEMENT.....	223
STATEMENT OF MATERIAL DEVELOPMENT.....	224
FINANCIAL INDEBTEDNESS.....	225
MARKET PRICE INFORMATION.....	229
SECTION VIII - LEGAL AND OTHER INFORMATION	231
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT.....	231
GOVERNMENT AND OTHER APPROVALS.....	237
SECTION IX - OTHER REGULATORY AND STATUTORY DISCLOSURES	238
SECTION X – OFFERING INFORMATION	246
TERMS OF THE ISSUE.....	246
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	283
SECTION XI - STATUTORY AND OTHER INFORMATION	285
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION.....	286
DECLARATION.....	288

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

In this Letter of Offer, unless the context otherwise requires, the terms defined, and abbreviations expanded below shall have the same meaning as stated in this section. The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the Depositories Act, and/or the rules and regulations made thereunder, each as amended. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company” or “SIL”, unless the context otherwise implies, refers to Suditi Industries Limited. All references to “Re”, “Rs”, “INR” or “₹” refer to Rupees, the lawful currency of India, “USD” or “US\$” refer to the United States Dollar, the lawful currency of the United States of America, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words “Lakh” or “Lac” means “100 thousands” and the word “million” or “mn” means “10 lakhs” and the word “crore” means “10 million” or “100 lakhs” and the word “billion” means “1000 million” or “100 crores”. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

The following list of capitalized terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigations and Material Developments” and “Offering Information” on pages 74, 23, 113, 70, 231 and 246 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections / chapters.

Unless otherwise specified, the capitalized terms used in this Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

CONVENTIONAL OR GENERAL TERMS AND ABBREVIATIONS

TERM	DESCRIPTION
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India

TERM	DESCRIPTION
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
“Companies Act, 1956” or “CA 1956”	The Companies Act, 1956, and the rules thereunder
“Companies Act, 2013” or “CA 2013”	The Companies Act, 2013 and rules issued thereunder, as amended.
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. Meaning NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extra Ordinary General Meeting
EPF Act	Employees’ Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
ESI Act	Employees’ State Insurance Act, 1952
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt instruments) Rules, 2019
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
Gol / Government	The Government of India

TERM	DESCRIPTION
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, Gol
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
NSDL	National Securities Depository Limited
OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the

TERM	DESCRIPTION
	SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending March 31

ISSUE RELATED TERMS

TERM	DESCRIPTION
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot/ Allotted/ Allotment	Unless the context otherwise requires, the allotment of Rights Shares pursuant to the Issue
Allottees	Persons to whom Rights Shares are allotted pursuant to the Issue.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account.

TERM	DESCRIPTION
ASBA Account	Account maintained by an ASBA Investor with a SCSB which will be blocked by such SCSB to the extent of the appropriate amount in relation to an application by an ASBA Investor.
ASBA Investors	Any eligible Equity Shareholders who intend to apply through ASBA and <ul style="list-style-type: none"> a) are holding Equity Shares in dematerialized form as on the Record Date and have applied for: <ul style="list-style-type: none"> i. their Rights Entitlement or ii. their Rights Entitlement and Additional Rights Shares, in dematerialized form; b) have not renounced their Rights Entitlement in full or in part; c) are not Renouncees; and d) are applying through blocking of funds in bank accounts maintained with SCSBs. <p>All (i) QIBs, (ii) Non-Institutional Investors, and (iii) other investors whose application value exceeds ₹2,00,000, complying with the above conditions, must mandatorily invest through the ASBA process.</p>
Bankers to the Issue	Collectively, the Escrow Collection Bank and the Refund Banks to the Issue, in this case being ICICI Bank Limited through its branch situated at Capital Markets Division, 5 th Floor, 122, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400020, Maharashtra.
Composite Application Form / CAF / Application Form / Application	The form used by an Investor to apply for the Allotment of Rights Issue Equity Shares in the Issue and for application by Renouncee.
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that the Company would issue for the Rights Shares Allotted to one folio.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time.
Designated Branches	Such branches of the SCSBs with which an ASBA Investor may physically submit the CAF, a list of which is available on http://www.sebi.gov.in/pmd/scsb.html and at such other websites as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Letter of Offer, “DLOF”	The Draft Letter of Offer dated March 29, 2022 filed with the Stock Exchange, for its observations and in-principle approval.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being ICICI Bank Limited through its branch situated at Capital Markets Division, 5 th Floor, 122, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai – 400020, Maharashtra.
Eligible Equity Shareholder	A holder(s) of Equity Shares as on the Record Date.

TERM	DESCRIPTION
Equity Share(s) or Share(s)	Equity Shares of the Company having a face value of ₹10/- each unless otherwise specified in context thereof.
	A holder of Equity Shares of the Company.
Investor(s)	Equity Shareholders as on Record Date and/or Renounees applying in the Issue of ₹10/- fully paid-up Equity Shares with a face value of ₹10/- each (" Rights Shares ") at a price of ₹30 per Right Share (including a premium of ₹ 20 per Rights Share) for an amount aggregating upto ₹2925.69 Lakhs on Rights basis in the ratio of 5 (Five) Rights Shares for every 9 (Nine) fully paid-up Equity Shares held by the Equity Shareholders on the Record Date, i.e., Tuesday, September 6, 2022. The face value of the Rights Shares is ₹10/- each and the Issue Price is 3.0 times of the face value of the Equity Shares.
Issue/ Rights Issue	Issue of ₹10/- fully paid-up Equity Shares with a face value of ₹10/- each for cash at a price of ₹ 30per Rights Share (including a premium of ₹ 20per Rights Share) for an amount aggregating upto ₹2925.69 lakhs on Rights basis in the ratio of 5 (Five) Rights Shares for every 9 (Nine) fully paid-up Equity Shares) held by the Equity Shareholders on the Record Date, i.e., Tuesday, September 6, 2022. The face value of the Rights Shares is ₹10/- each and the Issue Price is 3.0 times of the face value of the Equity Shares.
Issue Agreement	Issue Agreement dated February 18, 2022 between our Company and Lead Manager i.e., Chartered Finance Management Private Limited (Formerly known as Chartered Finance Management Limited)
Issue Closing Date	Thursday, September 15, 2022
Issue Opening Date	Wednesday, September 21, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Application in accordance with the SEBI ICDR Regulations
Issue Price	₹ 30 per Right Share (<i>including a premium of ₹ 20 per Rights Share</i>).
Issue Proceeds/Gross Proceeds	Gross proceeds of the Issue.
Issue Size	The issue of 97,52,290 Rights Shares aggregating to ₹2925.69 lakhs. <i>*Assuming full subscription</i>
Lead Manager	Chartered Finance Management Private Limited (Formerly known as Chartered Finance Management Limited)
Letter of Offer, "LOF"	The final letter of offer issued by our Company in connection with this Issue.
Listing Agreement	The listing agreements entered into between the Company and the Stock Exchange.
MICR	Magnetic Ink Character Recognition.
NECS	National Electronic Clearing Services
Net issue proceeds/Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to " <i>Objects of the Issue</i> " on page 62 of this Letter of Offer.
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to

TERM	DESCRIPTION
	renounce their Rights Entitlement in part or full and Renounees.
Non-Institutional Investors, "NII"	All Investors, whether resident in India or otherwise, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Rights Issue Equity Shares for a cumulative amount of more than ₹2,00,000.
Offer Document	Means Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Friday, September 16, 2022.
Qualified Foreign Investors, "QFI"	Qualified Foreign Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 (as amended), registered with SEBI under applicable laws in India.
Qualified Institutional Buyers, "QIB"	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e., Tuesday, September 6, 2022.
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited.
Registrar to the Issue	Link Intime India Private Limited
Registrar Agreement	Agreement dated February 18, 2022 entered into amongst our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renounee	Any person(s), who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on Renunciation.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., Thursday, September 15, 2022. Such period shall close on Friday, September 16, 2022 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date i.e., Wednesday, September 21, 2022.
Retail Individual Investors	Application by an Investor (including HUFs applying through their Karta) whose cumulative value of Equity Shares applied for in the

TERM	DESCRIPTION
	Issue is not more than ₹2,00,000 as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements	<p>The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his/ her shareholding in the Company as on the Record Date being Tuesday, September 6, 2022; (5 (Five) Rights Equity Shares for every 9 (Nine) Equity Shares held on September 6, 2022.</p> <p>The Rights Entitlements with a separate ISIN: INE691D20012 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the Record Date i.e., Tuesday, September 6, 2022.</p> <p><i>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</i></p>
Rights Shares	The Equity Shares of face value of ₹10/- each of the Company offered and to be issued and allotted pursuant to this Issue.
SEBI Rights Issue Circulars	Collectively, SEBI circulars, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021.
RTGS	Real Time Gross Settlement
Self-Certified Syndicate Bank or SCSB(s)	A Self Certified Syndicate Bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and/or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time.
Stock Exchange	Stock Exchange where the Equity Shares are presently listed, being BSE Limited.
Working Days	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding

TERM	DESCRIPTION
	Sundays and bank holidays, as per the circulars issued by SEBI.
Willful Defaulter / Fraudulent Borrower	A willful defaulter or fraudulent borrower, as defined under the SEBI ICDR Regulations

GENERAL TERMS

TERM	DESCRIPTION
“Suditi Industries Limited” / “Suditi Industries” / “the Company” and “Issuer”	Unless the context otherwise requires, refers to Suditi Industries Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India
“We” or “us” or “our”	Unless the context otherwise indicates or implies, refers to Suditi Industries Limited
Subsidiaries	Unless the context otherwise indicates or requires, refers to Suditi Design Studio Limited wherein our Company holds 100% equity shareholding and Suditi Sports Apparel Limited wherein our Company holds 60% equity shareholding.
Joint Venture	Unless the context otherwise indicates or requires, refers to SAA & Suditi Retail Private Limited, a joint venture Company wherein SIL holds 50% of Equity.
Suditi Design	Unless the context otherwise requires, refers to Suditi Design Studio Limited, a public limited company incorporated under the Companies Act, 2013, having its registered office at C-3/B, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai, Thane – 400705, Maharashtra, India.
Suditi Sports	Unless the context otherwise requires, refers to Suditi Sports Apparel Limited, a public limited company incorporated under the Companies Act, 2013, having its registered office at C-3/B, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai, Thane – 400705, Maharashtra, India.

COMPANY RELATED TERMS

TERM	DESCRIPTION
AoA / Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	Statutory Auditor of our Company, namely, M/s Chaturvedi & Partners, Chartered Accountants having their principal office at 404, Apollo Complex Premises Co-operative Society Limited, R.K. Singh Marg, Off Parsi Panchayat Road, Andheri (East), Mumbai – 400069
Audit Committee	The committee of the Board of Directors constituted as our Company’s Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI

TERM	DESCRIPTION
	Listing Regulations) and Section 177 of the Companies Act, 2013. For details, see <i>“Our Management”</i> on page 99 of this Letter of Offer.
“Bankers” to our Company	Axis Bank Limited, South Indian Bank Limited and Indian Overseas Bank
“Board of Directors” or “BoD” or “Board”	The Board of Directors of our Company or a duly constituted committee thereof.
Company Secretary and Compliance Officer	H. Gopalkrishnan, the Company Secretary and Compliance Officer of our Company.
Corporate Social Responsibility Committee / CSR Committee	The committee of the Board of Directors constituted at our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shareholder	A holder of Equity Shares
Equity Shares	Equity Shares of our Company of face value of ₹10 each
Executive Director(s)	Executive Directors of our Company, unless otherwise specified.
Financial Year / Fiscal / FY	The period of twelve (12) months commencing on April 1 st of a calendar year and ending on March 31 st of the immediately succeeding calendar year.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and the SEBI Listing Regulations.
Key Managerial Personnel or “KMP”	<p>Key Managerial Personnel of our Company in terms of Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled <i>“Our Management – Key Managerial Personnel”</i> on page 108 of this Letter of Offer.</p> <p>As per Section 2(51) of the Companies Act, 2013, key managerial personnel in relation to a company means:</p> <ul style="list-style-type: none"> (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-Time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed.
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see <i>“Our Management”</i> on page 99 of this Letter of Offer.
Non-Executive Directors	A Director, not being an Executive Director of our Company.
Promoters of the Company	Mr. Pawan Kishorilal Agarwal, Mrs. Shalini Pawan Agarwal and Mr. Rajendra Kishorilal Agarwal

TERM	DESCRIPTION
Promoter Group	Unless the context requires otherwise, the individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations, and which are disclosed by our Company to the Stock Exchange from time to time
Registered Office of the Company	The Registered Office of our Company located at C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India.
Registrar of Companies/ ROC	The Registrar of Companies, Mumbai, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400002, Maharashtra, India.
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see "Our Management" on page 99 of this Letter of Offer.

ISSUER & INDUSTRY RELATED TERMS AND ABBREVIATIONS

TERM	DEFINITION
BIS	Bureau of Indian Standards.
CGMP	Current Good Manufacturing Practices, as defined by the WHO
CTD	Common Technical Document
DGFT	Directorate General of Foreign Trade
DIST	District
DSM	Demand Sale Management
EBO	Exclusive Business Outlet
ECA	Essential Commodities Act, 1955
ECLGS	Emergency Credit Line Guarantee Scheme
EOU	Export Oriented Unit
EPCG	Export Promotion Capital Goods
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
GSM	Grams per Square Metre
IEC	Institutional ethics committee
IP	Intellectual Property
ISO	International Standards Organisation
LFS	Large Format Stores
MAA	Marketing Authorization Application
MIDC	Maharashtra Industrial Development Corporation
MMF	Man Made Fibre
SIS	Shop-in-Shop
UK	United Kingdom
USA	United States of America
US\$	United States Dollar
USPTO	United States Patent and Trademark Office
WCL	Working Capital Limit
WIP	Work in Progress

NOTICE TO OVERSEAS INVESTORS

The distribution of this Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively referred to as "Issue Material") and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this the Issue Material may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Issue Material and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company, the Lead Manager and, the BSE. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Material or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Material will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Issue Material must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Material should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Material to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Material Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Material.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the

date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer or the date of such information.

Neither the delivery of the Issue Material and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date mentioned in the Issue Material and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, the Issue Material and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for

such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM LEAD MANAGER OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in

breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references herein to 'India' are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "Gol", Central Government" or the "State Government" are to the Government of India, Central or State, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from the Restated Financial Statements of our Company. For details, please see "*Financial Information*" on page 113. Our Company's financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Gol has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**").

The Restated Consolidated Financial Statements of our Company for the Financial Years ended March 2022, 2021 and 2020 and the Limited review unaudited consolidated financial results for the three-month period ended June 30, 2022 have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

The Unaudited Financial Results for the three months ended June 30, 2022 are not indicative of the full year performance of the Company and hence are not comparable with the financial information presented for the year ending March 31, 2022.

In this Letter of Offer, any discrepancies or inconsistencies in any table between the aggregate and the total of the sums recorded are because of rounding off and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 113.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America; and

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in “*Risk Factors*”, “*Business Overview*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*” and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us, the Lead Manager or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 30 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Letter of Offer contains certain “forward-looking statements”. Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Industry Overview*”. Forward-looking statements include statements concerning our Company’s plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company’s competitive strengths and weaknesses, our Company’s business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek to”, “will”, “will continue”, “will pursue”, “forecast”, “target”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Letter of Offer that are not historical facts. These forward-looking statements contained in this Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Any adverse changes in central or state government policies;
- Any further wave of Covid-19 pandemic;
- Any adverse development that may affect our operations;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;

- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary, Individual Promoter and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer/works contracts without cause and with little or no notice or penalty; and Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 30, 81 and 209, respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are

reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, the LM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SECTION II – SUMMARY OF THIS LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled “*Risk Factors*”, “*The Issue*”, “*Capital Structure*”, “*Objects of the Issue*”, “*Business Overview*”, “*Industry Overview*”, “*Outstanding Litigations and Material Developments*” and “*Terms of the Issue*” on pages 30, 45, 54, 62, 81, 74, 231 and 246 respectively.

1. Summary of Industry

The textile sector is one of the earliest of industries forming a backbone and forerunner to the industrialization in the country. It has, besides the agriculture sector, been one of the largest employments generating sector, for both skilled and unskilled labour. It is the largest producer of jute and is one of the top leaders in textile manufacturing, more particularly in silk and cotton production. India happens to be the second largest producer of fibre in the world; with cotton being the major produce. Other fibres include silk, jute, wool and man-made fibre.

The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

For further details, please refer to the chapter titled “*Industry Overview*” at page 74 of this Letter of Offer.

2. Summary of Business

Our Company was incorporated in the year 1991 and has evolved as a company with a vertically integrated apparel infrastructure engaged in the areas of fabric processing, garment manufacturing, retail and distribution.

It began initially as a processing plant and has now developed a comprehensive ecosystem covering knitting, dyeing, printing, finishing and garmenting.

The Company’s brands are available with most major offline and online retailers; with presence in about 5 cities and our Company’s subsidiaries has around 15 Point of Sales pan-India.

For further details, please refer to the chapter titled “*Business Overview*” at page 81 of this Letter of Offer.

3. Our Promoters

The Promoters of our Company are Mr. Pawan Kishorilal Agarwal, Mrs. Shalini Pawan Agarwal and Mr. Rajendra Kishorilal Agarwal.

For further details please see chapter titled “Our Promoters” beginning on page 110 of this Letter of Offer.

4. Objects of the Issue

The details of Objects of the Issue are forth in the following table:

		(₹ In Lakhs)
Particulars		Amount
i.	Augmentation of existing and incremental Working Capital requirement of our Company	1229.17
ii.	Part repayment or prepayment of Unsecured Loans / Inter-Corporate Deposits availed by our Company from our Promoter Mr. Pawan Kishorilal Agarwal, and our Promoter group entity viz., Black Gold Leasing Private Limited	1200.00
iii.	Part repayment or pre-payment of certain secured loans availed from lenders	450.00
iv.	Issue related purposes	46.52
Gross Proceeds from the Issue		2925.69

The details of the Net Proceeds are set forth in the following table:

		(₹ In Lakhs)
Particulars		Amount
Gross Proceeds from the Issue		2925.69
Less: Adjustment of Unsecured loans against the entitlement (including additional subscription, if any) of Promoter and Promoter Group Companies		(1200.00)
Less: Issue related Expenses*		(46.52)
Net Proceeds from the Issue		1679.17

For further details, please see chapter titled “Objects of the Issue” beginning on page 62 of this Letter of Offer.

5. Intention and extent of participation by Our Promoter(s) and Promoter Group in the Issue:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated March 25, 2022 (the "**Subscription Letters**") indicated their intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company. Further, they intend applying for and subscribing to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Our Promoter (Mr. Pawan Kishorilal Agarwal) and Promoter Group (Black Gold Leasing Private Limited) have vide letters dated March 25, 2022 requested our Company to adjust unsecured loans of ₹750 lakhs and ₹450 lakhs respectively aggregating to ₹1200 lakhs against their

entitlement, including additional subscription, if any instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for repaying the unsecured loans amounting to ₹1,200 lakhs availed from the remaining members of the Promoter and Promoter Group.

6. Summary of Financial Information

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021 and 2020 and the Limited Review Unaudited Consolidated Financial Information for the three-month period ended June 30, 2022.

(₹ In Lakhs)

Particulars	Unaudited	Audited		
	As at 30 th June, 2022 (3-months)	2021-22	2020-21	2019-20
Share Capital	1,755.41	1,755.41	1,755.41	1,755.41
Net worth	(1,960.74)	(1,963.03)	(679.96)	3,029.00
Revenue from Operations	3,061.68	10,328.32	5,012.79	9,487.85
Profit After Tax	1.77	(2,637.49)	(2,355.97)	(1,032.92)
Total comprehensive income	1.56	(2,633.64)	(2,355.41)	(1,019.18)
Earnings Per Share				
(Basic EPS) (in ₹)	0.01	(15.00)	(13.42)	(5.81)
(Diluted EPS) (in ₹)	0.01	(15.00)	(13.42)	(5.81)
Net Asset Value Per Share (Face Value ₹ 10/)	(11.17)	(11.18)	3.87	17.26
Total Borrowings	3,966.63	4,168.93	4,209.19	3,820.91

For further details, please refer the section titled “Financial Information” on page 113 of the Letter of Offer.

7. Auditor Qualifications

No reservations, qualifications and adverse remarks have been made by our statutory auditors in their reports which requires any adjustments to the Audited Financial Statements for Fiscal 2022 and the Unaudited Financial Results for the three-month period ended June 30, 2022.

8. Summary of Outstanding Litigations and Material Developments

A summary of outstanding litigation proceedings pertaining to our Company as on the date of this Letter of Offer is provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
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Indirect Tax matters	12	297.29
Material Civil litigations	2	23.07

**To the extent quantifiable*

ii) Cases filed by our Company

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Indirect Tax matters	-	-
Material Civil litigations	17	86.77

**To the extent quantifiable*

b) Litigations involving our Joint Venture and Subsidiary Company(ies)

i) Cases filed against our Subsidiary:

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Material Civil litigations	1	2.77

**To the extent quantifiable*

ii) Cases filed by our Joint Venture company:

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Material Civil litigations	1	1.99

**To the extent quantifiable*

For further details, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 231 of this Letter of Offer.

9. Risk Factors

Please see the chapter titled “*Risk Factors*” beginning on page 30 of this Letter of Offer.

10. Summary of Contingent Liabilities

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021 and 2020 and the Limited Review Unaudited Financial Results for the 3-month period ended June 30, 2022:

(₹ in Lakhs)

Particulars	As at June 30, 2022	2021-22	2020-21	2019-20
Contingent Liabilities				
Claims against the Company not acknowledged as debts:				
a) Excise Matters	32.09	32.09	32.09	30.84

b) Sales tax / CST / VAT matters	126.20	177.21	459.76	459.76
c) Professional Tax	20.06	20.06	-	-
d) Local Body Tax	76.18	76.18	-	-
Total	254.53	305.54	491.84	490.59

For further details, please see the section titled “Financial Information” on page 113 of this Letter of Offer

11. Summary of Related Party Transactions

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for FY ending March 31, 2022 please see Financial Statements - “Note No. 48 (3)(b): Related Party Transactions” on page 189 of this Letter of Offer.

Following are the details as per the Restated Audited Consolidated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021 and 2020 and the Limited Review Unaudited Consolidated financial results for three-month period ended June 30, 2022:

(₹ in lakhs)

Details of transactions during the year and balance outstanding as at the balance sheet date:					
Particulars	Related Party	Unaudited		Audited	
		30-06-2022	31-3-2022	For the year ended	
				31-3-2021	31-3-2020
Transactions during the year:					
SUDITI INDUSTRIES LIMITED					
Sale of Goods/Related Services	Intime Knits Private Limited	46.95	699.71	152.16	256.50
	SK BLR Knits and Apparel Pvt Ltd.	0.54	-	-	-
	Suditi Sports Apparel Limited	21.67	-	-	-
	SAA & Suditi Retail Private Limited	0.60	2.54	17.37	137.36
	Black Gold Leasing Private Limited	-	-	47.76	-
	Chendur Dress Manufacturers Private Limited	10.44	48.27	63.45	135.00
Purchase of Goods	Intime Knits Private Limited	-	1.30	2.60	-
	Suditi Sports Apparel Limited	-	-	-	-
	R. Piyarellal Private Limited	-	-	-	-
	Chendur Dress Manufacturers Private Limited	-	1.49	-	18.39
	SAA & Suditi Retail Private Limited	2.44	-	31.69	1.36
	Black Gold Leasing Private Limited	-	7.50	29.28	-
Expenses towards Services Received	Black Gold Leasing Private Limited	51.83	546.35	157.00	136.68
	Intime Knits Private Limited	-	0.41	-	-
	R. Piyarellal Private Limited	0.13	1.86	10.04	21.82
	BLR Knits Private Limited	-	0.88	2.06	-
	Chendur Dress Manufacturers Private Limited	4.40	31.99	14.53	35.70
	Chendur Enterprises	1.00	6.52	4.53	6.03
	Chendur Inc.	0.99	5.96	4.99	5.95
	Ve Laxmi Exim LLP	1.29	7.78	6.63	7.78
	SAA & Suditi Retail Private Limited	-	-	-	1.49
	Harsh Pawan Agarwal	7.50	22.96	15.00	18.15
Balance outstanding as at the year end	Intime Knits Private Limited (Net receivable)	-	-	-	-

	SK BLR Knits and Apparel Pvt. Ltd. (Receivable)	2.76	2.07	-	-
	Intime Knits Private Limited (Net payable)	1549.58	1297.97	400.80	320.09
	Black Gold Leasing Pvt Ltd. (Deposits receivable)	303.81	303.81	303.81	303.81
	Black Gold Leasing Pvt Ltd. (Payable)	119.72	16.89	308.33	-
	Black Gold Leasing Pvt Ltd. (Receivable)	47.76	47.76	47.76	131.75
	Black Gold Leasing Pvt Ltd. (Unsecured Loan)	450.00	450.00	-	-
	R. Piyarellal Pvt Ltd. (Payable)	24.23	24.90	46.04	36.00
	SAA & Suditi Retail Pvt Ltd. (Receivable)	530.14	716.62	585.75	324.86
	Chendur Dress Manufacturers Pvt Ltd. (Receivable)	37.67	38.48	53.19	61.32
	Chendur Dress Manufacturers Pvt Ltd. (Payable)	13.65	20.31	8.14	23.82
	Chendur Enterprises (Payable)	1.01	2.00	1.51	1.50
	Chendur Inc. (Payable)	0.99	1.99	2.00	1.48
	VE Laxmi Exim LLP (Payable)	1.29	2.59	2.65	1.94
	Suditi Design Studio Ltd. (Receivable)	617.65	-	-	-
	Suditi Sports Apparel Limited (Receivable)	316.01	-	-	-
Loan Taken	Black Gold Leasing Pvt Ltd.	-	450.00	-	-
	Pawan Agarwal	-	750.00	-	-

SUBSIDIARY: SUDITI DESIGN STUDIO LIMITED

(₹ in lakhs)

Details of transactions during the year and balance outstanding as at the balance sheet date:		Unaudited		Audited	
Particulars	Related Party	30-06-2022	31-3-2022	For the year ended	
				31-3-2021	31-3-2020
Transactions during the year:					
Sale of Goods/Related Services	Intime Knits Private Limited	-	-	-	-
	SAA & Suditi Retail Private Limited	-	-	-	-
Purchase of Goods	SAA & Suditi Retail Private Limited	-	-	33.49	-
Expenses towards Services Received	R. Piyarellal Private Limited	-	-	-	-
	SAA & Suditi Retail Private Limited	-	-	-	-
	Intime Knits Private Limited	-	-	-	-
Balance outstanding as at the year end	Intime Knits Pvt. Ltd. (Net payable)	127.41	127.41	127.41	247.76
	Black Gold Leasing Pvt. Ltd. (Payable)	-	-	-	124.35
	R. Piyarellal Pvt. Ltd. (Payable)	23.47	23.47	23.47	222.00
	SAA & Suditi Retail Pvt. Ltd. (Payable)	40.93	40.88	38.88	6.01

SUBSIDIARY: SUDITI SPORTS APPAREL LIMITED

(₹ in lakhs)

Details of transactions during the year and balance outstanding as at the balance sheet date:		Unaudited		Audited	
Particulars	Related Party	30-06-2022	31-3-2022	For the year ended	
				31-3-2021	31-3-2020
Transactions during the year:					
Sale of Goods/Related Services	Intime Knits Pvt Ltd	-	7.37	-	-
Purchase of Goods	Black Gold Leasing Private Limited	-	(4.83)	41.07	-
Expenses towards Services received		-	-	-	-
Balance outstanding as at the year end	Black Gold Leasing Pvt. Ltd. (Payable)	-	-	49.47	8.40
	Black Gold Leasing Pvt. Ltd. (Receivable)	8.91	8.91	-	-
	SAA & Suditi Retail Pvt. Ltd. (Receivable)	-	-	0.92	-

SAA & Suditi Retail Pvt. Ltd. (Payable)	14.89	14.89	-	-
Intime Knits Pvt. Ltd. (Payable)	7.39	61.51	6.75	-
R. Piyarellal Pvt. Ltd. (Payable)	101.51	5.48	-	-

Following are inter-company transactions with our Company eliminated on consolidation and disclosed as per requirement of SEBI ICDR Regulations

Related party transactions for the year ended March 31, 2022; 2021 and 2020:

(₹ in lakhs)

Details of transactions during the year and balance outstanding as at the balance sheet date:						
Particulars	FY 2021-22		FY 2020-21		FY 2019-20	
	Wholly Owned Subsidiaries	Joint Ventures	Wholly Owned Subsidiaries	Joint Ventures	Wholly Owned Subsidiaries	Joint Ventures
Sale of Goods/Related Services	297.86	2.54	91.76	17.37	-	137.36
Purchase of Goods	10.81	-	40.41	31.69	423.02	1.36
Payment of Services rendered	-	-	-	-	-	1.49
Balance outstanding as at the year end						
Trade Receivable	903.16	716.62	653.76	585.75	227.30	324.86

For further details, please see the section titled “Financial Information” on page 113 of this Letter of Offer.

12. Issue of equity shares made in last one year for consideration other than cash

Our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing of this Letter of Offer.

13. Split or consolidation of Equity Shares in the last one years

There has been no split or consolidation of Equity Shares of the Company in the last one year.

SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. Investors should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company’s business, operations, or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Industry Overview”, “Business Overview”, “Financial Information and “Management’s Discussion and Analysis of Financial Position and Results of Operations” contained in this Letter of Offer. In making an investment decision, investors and purchasers of the Rights Equity Shares must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors and purchasers of our Rights Equity Shares should consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors and purchasers of the Rights Equity Shares should pay attention to the fact that our Company is incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward -Looking Statements” on page 20 of this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Materiality:

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not

be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

In this Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Suditi Industries Limited. The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

- 1. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the textiles industry, and more particularly, the apparel and readymade garments sector in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of supposedly third wave of the virus and the forecast of a fourth wave with multiple virus-mutants, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

The lockdown imposed earlier by the Central Government and various State Governments and the consequent impact on the operations in our manufacturing units has caused a disruption or de-stability in our activities. Customers it has been noted prefer to defer their purchase decisions in such uncertainties. Consequently, demand was muted and the textiles industry, in general, witnessed a slowdown in activities with decline in consumption pattern.

At this point of time, our Company cannot predict by when our Company’s operations will attain full normalcy. Further, if in case due to the third or consequent wave of Coronavirus, or surge in new and deadly variants of the Virus, if another lockdown is imposed across the country, we may face losses and our business operations could be severely impacted. Any such interruptions or disruptions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition.

- 2. There are certain outstanding litigations against our Company, and Subsidiaries/Joint Venture companies, that if determined against us, could have a material adverse impact on our financial condition and results of operations***

There are no outstanding legal proceedings involving our Company, and our subsidiary/joint venture companies as on date of this Draft Letter of Offer other than the ones summarized below. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry

officers and appellate tribunals, majority of which are old and are for the period between 1996-97 till 2016-17. If a claim is determined against us, it could have an adverse effect on our results of operations and cash flows. A summary of the pending material litigations against our Company, and our Subsidiaries/Joint Venture companies are provided below:

a) Litigations involving our Company

i) Cases filed against our Company:

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Indirect Tax matters	12	297.29
Material Civil litigations	2	23.07

**To the extent quantifiable*

b) Litigations involving our Joint Venture and Subsidiary Company(ies)

Nature of Litigation	No. of matters outstanding	Amount involved* (₹ In Lakhs)
Material Civil litigations	1	2.77

**To the extent quantifiable*

For further details of outstanding litigations against the Company, its Directors, Promoter, subsidiaries / joint venture company please see the section entitled "Outstanding Litigations and Material Developments" beginning on page 231 of this Draft Letter of Offer.

3. The Company has further delayed filing of certain disclosures with the Stock Exchange under the Listing Regulations, in the past.

There have been instances of delayed filing of disclosures with the Stock Exchange under the Listing Regulations, and a penalty of ₹3.46 lakhs have been levied and paid by our company in the year Financial Year 2021-22. Although we have not received any show cause notices from any of the statutory authorities, repeated delays will attract penal interest and may also involve initiation of penal action by the authorities. Any such initiation of such penal action could have an adverse impact on our operations.

4. An amount of ₹482.54 Lakhs was outstanding to MSME Companies as at the end of March 31, 2022 and ₹589.61 Lakhs was outstanding at the end of the three-month period ended June 30, 2022.

Our Company has an outstanding amount of ₹482.54 Lakhs and ₹589.61 Lakhs toward MSME Companies as at the end of March 31, 2022 and June 30, 2022 respectively. The delay in payment of MSMEs for more than 45 days will attract penalties which may adversely affect our revenues, financial position and reputation of our Company.

5. The Company is non-complaint in terms of not having a Chief Financial Officer (CFO) as per the provisions of section 203 of the Companies Act, 2013 whereby every public Company having a

paid-up share capital of ₹ 10 Crores or more shall have a whole time key managerial personnel, which includes whole time Chief financial officer.

Mr. Manoj Khemka who was the Chief Financial Officer and key managerial personnel resigned from the services of our Company on December 31, 2019 due to personal health reasons. Our Company has not been able to fill up the position of Chief financial Officer due to the ongoing pandemic situation and also on account of utilization of capacity at lower levels. Our Company will be taking necessary measures in this regard once the pandemic crisis eases up. In the interim, the Chief Executive Office of our Company has been overseeing the functions of the CFO as well.

6. Our two Subsidiary companies and Joint Venture company have been incurring losses in the past few years. Sustained financial losses by our subsidiaries and joint venture company may not be perceived positively and may also affect our credibility and profitability

The profit after tax of the subsidiaries and the joint venture companies in the last 3 financial years and for the 3-month period ended June 30, 2022 is as under:

(₹ In Lakhs)					
Company	Relationship	3-month ended 30-06-2022	FY 2021-22	FY 2020-21	FY 2019-20
Suditi Sports Apparel Limited	Subsidiary	(2.02)	24.67	(19.30)	(10.06)
Suditi Design Studio Limited	Subsidiary	(0.34)	(110.58)	(218.12)	(156.75)
SAA & Suditi Retail Private Ltd	Joint Venture	(0.22)	(518.85)	(528.54)	(70.66)

7. The brand name “RIOT” is not owned by our Company, but by our Group Company, “Intime Knits Private Limited” and we use the brand name on the basis of an agreement entered into with our group company, Intime Knits Private Limited. In case there is any dispute regarding this in the future, our business, goodwill and revenues could be adversely affected.

Our Company does not own brand name “RIOT” under which our Company markets readymade garments. The brand is owned by our group company, Intime Knits Private Limited, with whom our Company has entered into a Trademark Assignment Agreement on March 20, 2013, for the right to use the Brand name / Trademark titled ‘RIOT’ on perpetual basis with effect from April 1, 2013, for a consideration of ₹3 lakhs payable in one single instalment. Consequently, the trademark has been assigned to our Company together with goodwill pertaining to the trademark. In case the agreement is rescinded or terminated, we will lose the right to use the trade mark which in turn could impact our revenues, turnover and profitability.

8. Our Revenue from Operations on Standalone basis has been contributed by the top 2 customers which is approximately 71.75% as on March 31, 2021 and 72.28% as on March 31, 2022. The loss of any one or more of our major customers would have a material adverse effect on our business operations and profitability.

Top two customers of our Company contributed approximately 72.28% of our revenue from operations (₹7113.06 lakhs out of revenue from operations of ₹9840.72 lakhs) in the Financial Year 2021-22 as against 71.75% of our revenue from operations (₹3627.74 lakhs out of a total revenue from operations of ₹5056.25 lakhs) on a standalone basis in the Financial Year 2020-21. Any decline in quality standards and growing competition and any change in the demand for the company’s products by these customers

may adversely impair our ability to retain these customers. The loss of major customers or a decrease in the volume of products purchased by them may adversely affect our Company's revenue and profitability. Our Company cannot assure you that our company shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our company's operations and profitability. However, our Company takes extra effort to maintain quality standard and produce along with seeking constant feedback to ensure continuity and growth in business with our customers. For further details regarding major customers, please refer to page 88 of this Letter of Offer.

9. Our Company has contingent Liabilities not provided for, which may adversely affect the company's financial operations.

The following table sets forth our contingent liabilities

Particulars	(₹ In Lakhs)			
	Unaudited (3 months)	Restated Audited		
	30.06.2022	2021-22	2020-21	2019-20
Contingent Liabilities				
Claims against the Company not acknowledged as debts:				
a) Excise Matters	32.09	32.09	32.09	30.84
b) Professional Tax	20.06	20.06	-	-
c) Local Body Tax	76.18	76.18	-	-
d) Sales tax / CST / VAT matters	126.20	177.21	459.76	459.76
Total	254.53	305.54	491.84	490.59

For further details, please see the section titled "Financial Information" on page 113 of this Letter of Offer.

In the event these liabilities materialized, financial condition of our company may be affected. For further information please refer to the Auditors Report of this Letter of Offer.

10. An entity of our Promoter has interests in businesses which are similar to our business and this may result in potential conflicts of interests with our Company.

An entity of our Promoter, namely Intime Knits Private Limited has interests similar to that of our Company. A conflict of interest may occur between our business and the business of our Promoter company which could have an adverse effect on our operations. Our Company is selling Knitted fabrics to Intime Knits Private Limited and Intime Knits Private Limited is one of the top 5 customers of our Company.

Our Company is engaged in the business of manufacturing Knitted fabrics, job-work of readymade garments and selling of garments under the brand “RIOT”. This will ensure that all the companies operate in different segments, so that there is no direct conflict amongst the three entities.

11. Our Registered Office and our factory are on a leased premises. Any disruption of our rights as licensee/ lessee or termination of the agreements with our licensors/lessors would adversely impact our business.

As on the date of this Letter of Offer, our Registered Office and factory have been taken on a long lease by our Company from third parties. For details, please refer to the chapter titled “Business Overview - Property” on page 92 of this Letter of Offer. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

12. Our Company has reported Negative Cash Flow from investing and financing activities in the last three financial years 2019-20, 2020-21 and 2021-22.

Our Company has experienced negative net cash flow in investing and financing activities in the past, the details of which are provided below:

Particulars	(₹ in Lakhs)		
	Restated Consolidated Audited		
	2021-22	2020-21	2019-20
Net Cash Flows (used in) / generated from Operating activities (A)	551.87	119.57	669.77
Net Cash Flows (used in) / generated from investing activities (B)	(123.68)	(63.88)	(159.56)
Net Cash Flows (used in) / generated from financing activities (C)	(413.40)	(86.81)	(497.88)
Net Cash Flows generated from all activities (A+B+C)	14.77	(31.12)	12.32

Sustained negative cash flows in the future could affect our ability to service our debts and pay dividends. For details, see “Cash flow Statement” on page 124 of this Letter of Offer.

The statement of cash flows is separated into three sections and the same is explained in brief

- A. cash flows from operating activities,
- B. cash flows from investing activities, and
- C. cash flows from financing activities.

- A. **The cash flows from operating activities** show how much cash the Company generated from its core business, as opposed to peripheral activities such as investing or borrowing. The issuer company shall focus mostly on this activity as it paints the best picture of how well business operations are producing cash that will ultimately benefit shareholders.

- B. **The cash flows from investing activities** shows the amount of Cash Company spend on investments. Investments are usually classified as either capital expenditures (i.e., money spent on items such as new equipment or anything else needed to keep the business running or monetary investments such as the purchase or sale of government bonds.
- C. **The cash flows from financing activities** involve the company's owners or creditors. For example, the issuance or purchase of Securities, the issuance or repayment of debt, and dividends paid to investors.
- 13. *Our operations are susceptible to volatility of prices of our products and the loss of customers can have a bearing on the operations of the Company.***

Prices of our products are subject to fluctuation, primarily depending upon prices of raw materials, transportation/outward freight and, packing material as Direct costs, over and above many other factors like the number of producers in the region/country, their production volumes and changes in demand in the markets that we serve and many more. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost-effective processes in the future.

- 14. *The Objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our funding requirements may change. Our estimates for the project may exceed the value that would have been determined by third party appraisals and may require us to reschedule our expenditure, which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

- 15. *Our Company has entered into certain related party transactions aggregating to ₹149.78 lakhs for the three-month period ended June 30, 2022 (₹1385.52 lakhs as at the end of the financial year March 31, 2022) and there is no assurance that our company may not continue to do so in future. This could have an adverse effect on our financial condition and results of operation.***

During the course of business, our Company has entered into certain transactions with related parties, aggregating to ₹149.78 lakhs for the three-month period ended June 30, 2022, based on limited review unaudited consolidated financial results (₹1385.52 lakhs for the year ended March 31, 2022 based on restated consolidated financial statement). While our Company believes that all such transactions have been conducted on an arm-length basis, there can be no assurance that our Company could not have obtained more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our company will enter into such related party transactions in the future.

There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on financial condition and results of operations of our company. For details of Related Party Transactions please refer page 189 under section “Financial Information” of this Letter of Offer.

Summary of Related Party Transactions entered by our Company with our Promoter Group, Company promoted by Promoter, Promoter, Joint Venture company and Subsidiary(ies) based on Restated Consolidated audited financial statements as on March 31, 2022, and the Limited Review Report on Consolidated Unaudited financial results for three-month period ended June 30, 2022, are as under:

Name of the Party	Nature of Relationship	Value of Transaction (₹ in Lakhs)	
		For the period ended June 30, 2022 (3 month period)	FY 2021-22
Intime Knits Private Limited	Company promoter by Promoters	46.95	701.42
SAA & Suditi Retail Private Limited	Joint Venture	3.04	2.54
Suditi Sports Apparel Limited	Subsidiary	21.67	-
Black Gold Leasing Private Limited	Promoter Group	51.83	553.85
R Piyarelall Private Limited	Promoter Group	0.13	1.86
Harsh Pawan Agarwal	Promoter Group	7.50	22.96

16. Any loss or breakdown of our machineries, at our plant may have an adverse effect on our business, financial condition and results of operations.

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, industrial accidents and the need to comply with directives of relevant government authorities. Although we have not had such occurrences in the past, the occurrence of such incidents in future is not ruled out and these risks could significantly affect our operating results. Although, we have taken precautions to minimize the risks of any significant operational issues at our manufacturing facilities, our business and operations may be adversely affected by any disruption of operations at manufacturing facilities.

17. Insurance cover of our company may not be adequate to protect us against all material hazards.

Our Company has various insurance policies covering stocks, building, plant and machinery, computers, office equipment, furniture and fittings, others, etc. for a total insured amount of ₹7,246.03 Lakhs, details of which are disclosed on page 94 of this Letter of Offer. While our Company believes that it has insured all key and critical components, stocks and assets adequately against the risks associated with all normal operations of business, there can be no assurance that any claim under the insurance policies maintained by our Company will be honoured fully, in part or on time, or that our Company has obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses, if and when they occur. To the extent that our Company suffers loss or damage for events for which our Company is not insured or for which insurance is inadequate, the loss would have to be borne by our

Company, and, as a result, operations and financial condition could be adversely affected to the extent of deficiency in insurance claim.

18. *Our Company faces competition from various brands and any inability to compete with them could adversely impact business and financial operations of our company.*

The garment industry is highly competitive and our company faces competition from the organized as well as the unorganized sector. The branded garment sector is not more than 25% of the total garment industry. The market share of our company is very minimal which is not quantifiable with respect to the total market size and its competitors in the garment industry.

Our Company would also have to directly compete with the leading apparel manufacturers of India as well as the local brands. This competition could put pressure in respect of pricing, product quality and our inability to compete with this intense competition may put strain on profit margins which may consequently affect the financial position of our Company.

19. *Our success depends on our ability to identify and respond to constantly changing customer demands and preferences and changing technologies.*

In order to stay competitive, we must respond to changing trends in customer demands and preferences either in India or overseas. Our success is dependent on its ability to anticipate accurately, identify and quickly respond to these trends. We should ensure that their sales team generate enthusiasm and respond with extra efforts in addressing our customers' needs in a timely fashion. If any of these risks pertaining to changes in demands/preference/technology materialize, it may have a material adverse effect on our business, cash flows, results of operations, financial condition and prospects.

20. *We are dependent on our senior management including our Promoters and a number of key personnel and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.*

Our performance depends significantly on our senior management, including our Promoters, who are educated and have several years of experience in the industry in which we operate and whose contribution has been crucial to the growth of our business. We believe that the inputs and experience of our senior management and key managerial personnel are valuable for the development of business and operations and the strategic directions adopted by our Company. We cannot assure you that we will be able to retain such persons or find adequate suitable replacements in a timely manner, or at all. A limited number of persons exist with the requisite experience and skills to serve in our senior management positions. In addition, we may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, along with our steady growth and business expansion, we need to employ, train and retain additional suitable skilled and qualified management and employees from a wider geographical area. If we cannot attract and retain suitable personnel, our business and future growth may be materially and adversely affected.

21. *Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights shall also be proportional to such investor's share of the paid-up equity capital of our Company.*

Our Company has declared and paid dividend uninterruptedly till FY2019 except for FY2015. No dividend was paid for FY2020 and FY2021. Our inability to pay dividend in FY 2020 and FY 2021 were primarily influenced by an insignificant profit of ₹ 1.87 lakhs in FY 2020, and a loss of ₹1518.05 lakhs in FY 2021. Dividend payments in future, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of our Company's indebtedness and capital expenditures. There can be no assurance that our Company will be able to pay dividends in the future.

22. *The unexpected loss, shutdown or slowdown of operations at any of our facilities could have a material adverse effect on SIL's results of operations and financial condition.*

Our facilities are subject to operating risks, such as breakdown or failure of equipment, power supply interruptions, facility obsolescence or disrepair, technological changes, labour disputes, natural disasters and industrial accidents, to name some of them. The occurrence of any of these risks could adversely affect our operations by causing production at one or more facilities to shut down or slowdown. No assurance can be given that one or more of the factors mentioned above will not occur, which could have a material adverse effect on our results of operations and financial condition.

23. *Availability of skilled and specialized labour can affect our performance.*

Due to advancement of technology and competitive environment, skilled and specialized labour are necessary to have in any organization. The shortages of relevant sufficiently skilled people available in the Country can affect the performance of the Company.

24. *We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

RISKS RELATING TO THE ISSUE AND THE RIGHTS EQUITY SHARES

25. *Our Company will not distribute the Letter of Offer and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the "Issue Materials") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the

Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

26. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021, and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 246.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

27. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

28. Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company may dilute your future shareholding and sales of the Equity Shares by the Promoter or Promoter Group or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, or convertible securities or other equity linked securities by our Company, may lead to dilution of your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Any future sales of Equity Shares by the Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

29. The Issue Price of our Rights Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.

The Issue Price of Equity Shares may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the issue and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- Changes in revenue or earnings estimates or publications of research reports by analysts;
- Speculation in the press or investment community;

30. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period.

The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date.

The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

EXTERNAL RISK FACTORS AND BEYOND THE CONTROL OF THE ISSUER COMPANY

31. The outbreak of Novel Coronavirus, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly the Novel Coronavirus) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of Novel Coronavirus has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding Novel Coronavirus and no government-certified treatment is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of Novel Coronavirus remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting Novel Coronavirus or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of Novel Coronavirus will cause an economic slowdown and it is possible that it could cause a global recession. The spread of Novel Coronavirus has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak, and our ability to perform critical functions could be harmed.

32. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.*

Our Company is incorporated in India and we derive a reasonable portion of our revenues in India. In addition, our assets and employees are also located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Consequently, our performance and liquidity of our Equity Shares may be affected by changes in foreign exchange rates and controls, interest rates, Government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

In recent years, the successive Indian governments have generally pursued a course of economic liberalization and deregulation aimed at accelerating the pace of economic growth and development. This includes liberalizing rules and limits for foreign direct investment in a number of important sectors of the Indian economy including infrastructure, railways, services, pharmaceuticals and insurance. In addition, the current Indian government has pursued a number of other economic reforms, including the introduction of a goods and services tax, increased infrastructure spending and a new Insolvency and Bankruptcy Code.

A significant change in India's economic liberalization and deregulation policies, in particular, those relating to the businesses in which we operate, could disrupt business and economic conditions in India generally and our business in particular.

A change in the Government's policy on tariffs, direct and indirect taxation and fiscal or other incentives could adversely affect SIL's business.

Our profitability is also significantly dependent on the policies of the central and state governments in India relating to various direct and indirect taxes (including sales tax, goods and service tax and income tax), duties and levies (including excise duties and import duties) and fiscal or other incentives or schemes. Any adverse change in policies relating to such taxes, duties or incentives could affect our profitability.

33. *Our operations are susceptible to volatility of prices of our products and the loss of customers can have a bearing on the operations of the Company.*

Prices of our products are subject to fluctuation, primarily depending upon prices of raw materials, transportation/outward freight and, packing material as Direct costs, over and above many other factors like the number of producers in the region/country, their production volumes and changes in demand in the markets that we serve and many more. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost-effective processes in the future.

34. *Any terrorist attacks or social unrest and natural disasters occur in India; could adversely affect our business, operations and financial condition.*

Increased political instability, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several regions in which we operate, strained relations arising from these conflicts and the related decline in customer confidence may hinder our ability to do business.

Natural disasters such as floods, earthquakes, famines and pandemics have in the past had a negative impact on the Indian economy, with the most recent example being the global outbreak of COVID-19. If any such event were to occur, our business could be affected due to the event itself or due to the inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure, damage to our telecom and refinery assets and the loss of business continuity or business information. In the event that our facilities are affected by any of these factors, our operations may be significantly interrupted, which may materially and adversely affect our business, financial condition and results of operations.

35. *Financial instability in Indian financial markets could adversely affect the Company's results of operations and financial condition.*

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America, Europe or China, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial

systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The current global financial turmoil, an outcome of the sub-prime mortgage crisis, which originated in the United States of America, has led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on the Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

36. *Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessment of the Company's financial condition.*

As stated in the reports of the Company's independent auditor included in this Letter of Offer, its financial statements are prepared and presented in conformity with Indian GAAP, consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

37. *Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect the Company's business.*

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect the Company's ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could harm the Company's business and financial performance, ability to obtain financing for capital expenditures and the price of our Company's Equity Shares.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board of Directors at its meeting held on January 6, 2022 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of this Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more information detailed in the chapter titled “*Terms of the Issue*” on page 246 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to 97,52,290 Equity Shares
Rights Entitlement	Up to 5 (Five) Equity Share(s) for every 9 (Nine) fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Shares or is not in multiples of 9 (Nine), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	Tuesday, September 6, 2022
Face value per Equity Shares	₹10
Issue Price per Rights Equity Share	₹30
Issue Size	Up to ₹ 97,52,290# Equity Shares of face value of ₹10 each for cash at a price of ₹30 (Including a premium of ₹20) per Rights Equity Share aggregating to an amount of ₹2925.69 lakhs. <i># Assuming full subscription</i>
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	1,75,54,123 Equity Shares
Equity Shares subscribed and paid-up after the Issue (# assuming full subscription for and allotment of the Rights Entitlement)	Up to 2,73,06,413# Equity Shares <i># Assuming full subscription</i>
Equity Shares outstanding after the Issue (# assuming full subscription for and allotment of the Rights Entitlement)	2,73,06,413#
Money payable at the time of Application	₹30

Terms of the Issue	For details, please refer to the chapter titled " <i>Terms of the Issue</i> " on page 246 of this Letter of Offer.
Use of Issue Proceeds	For details, please refer to the chapter titled " <i>Objects of the Issue</i> " on page 62 of this Letter of Offer.
Scrip Details	ISIN: INE691D01012 BSE: 521113
Rights Entitlement ISIN	INE691D20012

Please refer to the Chapter titled "*Terms of the Issue*" on page 246 of this Letter of Offer.

GENERAL INFORMATION

Our Company was originally incorporated as Suditi Hosiery Processors Limited on 12th September 1991 in Mumbai under the Companies Act, 1956. Subsequently the name of our company was changed to Suditi Industries Limited vide fresh Certificate of Incorporation consequent to change of name dated 21st October 1994 issued by the office of Registrar of Companies, Mumbai - Maharashtra. The Corporate Identification Number of our Company is L19101MH1991PLC063245.

Registered Office of our Company

Suditi Industries Limited

C-253/254, MIDC
TTC Industrial Area, Pawne Village, Turbhe
Navi Mumbai - 400705
Maharashtra, India
Tel: +91-22-67368600
E-mail: rights.issue@suditi.in
Website: www.suditi.in
Registration Number: 063245
CIN: L19101MH1991PLC063245

Changes in the Registered Office

From	To	With effect from	Reason for change
Shah & Nahar Ind Estate A-2, Unit No. 23/24, Dhanraj Mills Compound Lower Parel Mumbai – 400013 Maharashtra	C-253/254, MIDC TTC Industrial Area Pawne Village, Turbhe Navi Mumbai – 400705 Maharashtra	December 01, 2021	Administrative convenience: in order to centralise all its office activities in one premises

Address of the RoC: Our Company is registered with the RoC, Mumbai, Maharashtra which is situated at the following address.

Registrar of Companies, Mumbai

100, Everest Building,
Marine Drive,
Mumbai – 400 002
Maharashtra, India.
Telephone: +91 22 22812627/22020295
Facsimile: +91 22 22811977
E-mail: roc.mumbai@mca.gov.in
Website: www.mca.gov.in

Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Pawan Kishorilal Agarwal	57	Chairman	'Benhur', 18 th Floor 32, N.D. Road Mumbai – 400006	00808731
Rajagopal Raja Chinraj	72	Executive Director & CEO	NI 6, Building 9, Flat 1, Sector 9, Nerul Navi Mumbai – 400706	00158832
Vivek Gangwal	51	Independent Director	302, Marathon Heights Pandurang Budhwar Marg Near Deepak Talkies, Worli, Mumbai – 400018	01079807
Sanjula Sanghai	55	Independent Director	Diamond Plaza Building, 6 th Floor, 391, Dr. D.B. Marg Mumbai – 400004	00049344

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 99 of this Letter of Offer.

Company Secretary and Compliance Officer

H. Gopalkrishnan is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Suditi Industries Limited
C-253/254, MIDC,
TTC Industrial Area, Pawne Village
Turbhe, Navi Mumbai 400 705;
Maharashtra. India
Tel: +91-22-67368600
E-mail: rights.issue@suditi.in

Statutory and Peer Review Auditor of our Company

M/s. Chaturvedi & Partners

Chartered Accountants
404, Apollo Complex Premises Co-operative Society Limited
R.K. Singh Marg, Off Parsi Panchayat Road
Andheri (East)
Mumbai - 400069
Tel: +91 22 46037794; +91 9819326977
Email: candp1977@gmail.com
Contact Person: CA Siddharth Punamiya
Membership No.: 148540

Contact Person Email: siddharth.punamiya@gmail.com
Firm Registration No.: 307068E
Peer Review Certificate No.: 014285 dated 21.5.2019 and valid upto 31.5.2025

Details of Key Intermediaries pertaining to this Issue of our Company:

Lead Manager to the Issue

CHARTERED FINANCE MANAGEMENT PRIVATE LIMITED
(Formerly known as Chartered Finance Management Limited)
2nd Floor, Wakefield House, Sprott Road, Ballard Estate,
Mumbai – 400038 Maharashtra, India
Tel. No.: +91 22 22696944 / 22675708;
Email: rights.issue@cfml.in
Website: www.charteredfinance.in
Investor Grievance Email: investor.grievance@cfml.in
Contact Person: Mr. R. Ramnath
SEBI Registration No.: INM000012052
Validity of Registration: Permanent

Registrar to the Issue

Link Intime India Private Limited
C – 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India
Tel. No.: +91 22 4918 6200
Fax No.: +91 22 4918 6195
E-mail: suditi.rights@linkintime.co.in
Website: www.linkintime.co.in
Contact person: Mr. Sumeet Deshpande
Investor grievance: suditi.rights@linkintime.co.in
SEBI Registration No: INR000004058

Legal Advisor to the Issue

M/s Zastriya
Attorneys & Legal Consultants
37/38, 3rd Floor, Landmark Tower,
Link Road, Mithchowki
Malad (West)
Mumbai - 400064
Maharashtra, India
Tel. No.: +91 9920120018 / 9920239759
Email: nishant.rana@zastriya.in; chinmayee.ghag@zastriya.in
Contact Person: Nishant Rana / Chinmayee Ghag

Bankers to the Issue/ Refund Bank

ICICI Bank Limited

Capital Market Division, 5th Floor,
163, H.T. Parekh Marg,
Backbay Reclamation,
Churchgate, Mumbai – 400020,
Maharashtra

Tel. No.: +91 22 68052185

Fax No.: +91 22 22611138

E-mail: amandeep.arora@icicibank.com

Website: www.icicibank.com

Contact person: Mr. Amandeep Arora

SEBI Registration No: INBI00000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

Inter-se Allocation of Responsibilities

Chartered Finance Management Private Limited (Formerly known as Chartered Finance Management Limited) being the sole Lead Manager to the Issue will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 11, 2022 from the Statutory Auditors, M/s Chaturvedi & Partners, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated August 30, 2022 on our Restated Consolidated Financial Information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; (ii) Limited Review report dated August 10, 2022 on the unaudited consolidated financial statements for the three month period ended June 30, 2022; and (iii) statement of tax benefits dated August 30, 2022 in this Letter of Offer and such consent has not been withdrawn as

on the date of this Letter of Offer. However, the term “expert” and consent thereof shall not be construed to be an “expert” as defined under the Securities Act, 1933.

Investor grievances

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

As this is an Issue of Rights Equity Shares, credit rating is not applicable.

Debenture Trustees

As the Issue is of Rights Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange

Changes in Auditors during the last three years

There has not been any change in the Statutory Auditor of our Company in last three years.

Underwriting Agreement

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Event	Indicative Date
Last Date for Credit of Rights Entitlements	Thursday, September 8, 2022
Issue Opening Date	Thursday, September 15, 2022
Last Date for on Market Renunciation of Rights#	Friday, September 16, 2022
Issue Closing Date*	Wednesday, September 21, 2022

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited the demat account of the Renouncees on or prior to the Issue Closing Date.

**The Board of Directors or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that the Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e. September 19, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, September 21, 2022.

Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see “*Terms of the Issue*” on page 246.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Lead Manager or the Registrar will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. For details on submitting Application, see “*Terms of the Issue*” on page 246.

The detail of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their

respective details along with other security control measures implemented thereat. For details, see “*Terms of the Issue*” on page 246 of this Letter of Offer.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

CAPITAL STRUCTURE

The Equity Share Capital structure of our Company, and related information, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

(₹ in Lakhs except share data)

Sl. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
A. Authorised Share Capital			
	3,00,00,000 Equity Shares of face value of ₹10/- each	3,000.00*	N.A.
B. Issued, Subscribed and Paid-up Share Capital before this Issue			
	1,75,54,123 Equity Shares of face value of ₹10/- each	1,755.41	N.A.
C. Present Issue in terms of this Letter of Offer¹			
	97,52,290 Equity Shares of face value of ₹10/- each	975.23	2925.69
D. Issued, Subscribed and Paid-up Share Capital after this Issue[^]			
	2,73,06,413 Equity Shares of face value of ₹10/- each	2730.64	N.A.
E. Securities Premium Account			
	Before the Issue	542.08	
	After the Issue ²	2492.54	

[^]Post Issue Shareholding is based on the assumption that all shareholders will subscribe in full to their entire Rights entitlement.

¹The present Issue has been authorised by the Board of Directors of our Company under Section 62 and other provisions of the Companies Act, 2013 at their meeting held on January 6, 2022 vide a resolution passed at the meeting of the Board of Directors dated January 6, 2022.

²Assuming full subscription for and allotment of the Rights Entitlement.

*Pursuant to a special resolution passed at the Annual General Meeting of the Shareholders held on November 16, 2021, the Authorised Share Capital of our Company has been reclassified and increased from the existing share capital of ₹2,500 lakhs divided into 2,50,00,000 Equity Shares of ₹10/- each to ₹ 3,000 lakhs divided into 3,00,00,000 Equity Shares of ₹10/- each.

NOTES TO CAPITAL STRUCTURE

- Our Company has formulated an Employee Stock Option scheme titled 'Suditi Employees' Stock Option Plan, 2011' (the "Plan"). The Scheme has been authorized pursuant to a resolution of the Board passed at the meeting held on September 30, 2011 and has been authorized by the shareholders of the Company in the AGM of the Company held on September 2, 2011. The Plan is operated and administered by the Compensation Committee to grant options to eligible employees. The purpose of the Plan includes, among others, to motivate the talent in the organization with a view to achieve long-term business goals; to retain talent in the organization and to foster ownership and financial motivation.

9,60,000 shares were reserved for issue under the Employees Stock Option Plan. Our Company has so far granted 4,75,405 Options, of which 3,77,805 were accepted and 97,600 rejected. Out of 3,77,805 Options Vested, 3,17,320 Options were exercised and 60,485 have lapsed. As on date, there are no options granted and pending to be exercised by the employees.

2. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Our Promoter and Promoter Group have, vide their letters dated March 25, 2022 (the “**Subscription Letters**”) undertake to:

- a) subscribe, jointly and/or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and
- b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Our Promoters and/or members of the Promoter Group intend to apply for and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any).

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Our Promoter Mr. Pawan Kishorilal Agarwal and our Promoter Group Company M/s Black Gold Leasing Private Limited have vide their letters dated March 25, 2022 and March 25, 2022 respectively confirmed that an amount of ₹450 lakhs and ₹750 lakhs respectively, which has been identified as the part of the unsecured loans which have to be repaid to them through this Issue, shall be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from him, to the extent of his entitlement, renunciation of entitlement made in his favour by the members of Promoter Group (if any) as well as Additional Rights Equity Shares to be applied for by them for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to the extent of ₹1200 lakhs.

3. As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with option to convert or securities which are convertible at a later date into Equity Shares.
4. As on date of this Letter of Offer, there is only one denomination of Equity Share.

5. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. The Rights Equity Shares, when issued shall be Fully Paid-up. For details on the terms of this Issue, see "*Terms of the Issue*" on page 246 of this Letter of Offer.

6. Shareholding Pattern of our Company as per the last filing with the Stock Exchange:

(i) The summary statement of the shareholding pattern of our Company as on June 30, 2022 is as follows:

The table below represents the summary statement of the shareholding pattern of our Company as on June 30, 2022:

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total No. of Shares held	Shareholding as a % of shares (calculated as per SCRR, 1958) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialised form
(A) Promoter & Promoter Group	11	1,17,72,393	1,17,72,393	67.06	1,17,72,393	67.06	1,17,72,393
(B) Public	7,054	57,81,730	57,81,730	32.94	57,81,730	32.94	51,45,170
(C1) Shares underlying DRs							
(C2) Shares held by Employee Trust							
(C) Non Promoter-Non public							
Grand Total	7,065	1,75,54,123	1,75,54,123	100.00	1,75,54,123	100.00	1,69,17,563

Note: C=C1+C2

Grand Total = A+B+C

(ii) Statement showing holding securities of persons belonging to the Category “Promoters and Promoters Group” as at June 30, 2022:

Category of Shareholder	Entity Type	No. of Shareholders	No. of fully paid-up equity shares held	Total No. of Shares held	Shareholding as a % of shares (calculated per SCRR, 1958) As a % of (A+B+C2)	No. of equity shares held in dematerialised form
A1) Indian						
Individuals / Hindu Undivided Family		9	1,17,52,576	1,17,52,576	66.95	1,17,52,576
Shilpa Amit Agrawal	Promoter Group	1	2,500	2,500	0.01	2,500
Meena Gupta	Promoter Group	1	10,000	10,000	0.06	10,000
Harsh Pawan Agarwal	Promoter Group	1	22,500	22,500	0.13	22,500
Tanay Pawan Agarwal	Promoter Group	1	22,500	22,500	0.13	22,500
Tanuj Pawan Agarwal	Promoter Group	1	22,500	22,500	0.13	22,500
Rajendra Kishorilall Agarwal	Promoter	1	26,221	26,221	0.15	26,221
Archana Agarwal	Promoter Group	1	49,500	49,500	0.28	49,500
Shalini Pawan Agarwal	Promoter	1	2,09,600	2,09,600	1.19	2,09,600
Pawan Kishorilal Agarwal	Promoter	1	1,13,87,255	1,13,87,255	64.87	1,13,87,255
Any Other (specify)		2	19,817	19,817	0.11	19,817
R Piyarelal Pvt Ltd	Promoter Group	1	100	100	0	100
Black Gold Leasing Pvt Ltd	Promoter Group	1	19,717	19,717	0.11	19,717
Sub Total A1		11	1,17,72,393	1,17,72,393	67.06	1,17,72,393
A2) Foreign					0	
A=A1+A2		11	1,17,72,393	1,17,72,393	67.06	1,17,72,393

(iii) Statement showing holding of securities of persons belonging to the “Public” category as on June 30, 2022:

Category of Shareholder	No. of Shareholders	No. of fully paid-up equity shares held	Total No. of Shares held	Shareholding as a % of shares (calculated as per SCRR, 1958) As a % of (A+B+C2)	No. of Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialised form
B1) Institutions	0	0		0		0	
Financial Institutions/ Banks	5	1200	1,200	0.01	1,200	0.01	700
Sub Total B1	5	1200	1,200	0.01	1,200	0.01	700
B2) Central Government/ State Government(s)/ President of India	0	0		0		0	
B3) Non-Institutions	0	0		0		0	
Individual share capital upto ₹ 2 Lacs	6,728	20,19,892	20,19,892	11.51	20,19,892	11.51	14,69,232
Individual share capital in excess of ₹ 2 Lacs	28	25,79,545	25,79,545	14.69	25,79,545	14.69	25,79,545
Gaurav Maganlal Gala	1	230833	2,30,833	1.31	2,30,833	1.31	2,30,833
Aparna Chandrashekar	1	334925	3,34,925	1.91	3,34,925	1.91	3,34,925
Nikhil Vora	1	305000	3,05,000	1.74	3,05,000	1.74	3,05,000
Any Other (specify)	293	1181093	1181093	6.73	1181093	6.73	1095693
Foreign Nationals	1	600	600	0	600	0	600
Clearing Members	2	1,500	1,500	0.01	1,500	0.01	1,500
Non-Resident Indian (NRI)	144	77,545	77,545	0.44	77,545	0.44	45,445
HUF	99	1,67,424	1,67,424	0.95	1,67,424	0.95	1,64,524

Bodies Corporate	46	3,46,994	3,46,994	1.98	3,46,994	1.98	2,96,594
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	1	5,87,030	5,87,030	3.34	5,87,030	3.34	5,87,030
IEPF	1	5,87,030	5,87,030	3.34	5,87,030	3.34	5,87,030
Sub Total B3	7,049	57,80,530	57,80,530	32.93	57,80,530	32.93	51,44,470
B=B1+B2+B3	7,054	57,81,730	57,81,730	32.94	57,81,730	32.94	51,45,170

7. Details of shareholders of our Company holding 1% or more of the paid-up capital of the issuer as last disclosed to the stock exchanges as on June 30, 2022:

Sl. No.	Name of the Shareholders	No. of Equity Shares	% of the Pre-Issue Equity Share Capital
1	Pawan Kishorilal Agarwal	1,13,87,255	64.87
2	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	5,87,030	3.34
3	Nikhil Vora	3,05,000	1.74
4	Aparna T Chandrashekhar	3,34,925	1.91
5	Gaurav Maganlal Gala	2,30,833	1.31
6	Shalini Pawan Agarwal	2,09,600	1.19

8. Details of shares locked-in, pledged, encumbrance by promoters and promoter group

As on date of this Letter of Offer, none of the Equity Shares held by our Promoters or members of our Promoter Group are locked-in, pledged or otherwise encumbered.

9. Details of shares acquired by promoters and promoter group in the last one year immediately preceding the date of filing of the Letter of Offer:

Sl. No.	Name of the Promoter and Promoter Group	No. of Shares acquired	Date of acquisition
1	Pawan Kishorilal Agarwal	1,07,264	December 10, 2021

10. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulation is ₹ 33.20 per equity share.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The proceeds of the Issue are proposed to be utilized by us for financing the following objects:

1. Augmentation of existing and incremental Working Capital requirement of our Company.
2. Part repayment or prepayment of Unsecured Loans / Inter-Corporate Deposits availed by our Company from our Promoter and Promoter group companies forming part of Promoter Group.
3. Part repayment/pre-payment of certain secured loans availed from lenders.
4. Issue related expenses.

The objects clause of our Memorandum of Association enables us to undertake our existing activities. The fund requirement and deployment are based on internal management estimates and have not been appraised. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, or other financial conditions, business or strategy.

We intend to utilize the gross proceeds raised through the Issue (the “**Issue Proceeds**”) after deducting the Issue related expenses (“**Net Proceeds**”) for the abovementioned Objects.

Details of Objects of the Issue

The details of objects of the Issue are set forth in the following table:

Particulars	Amount
Augmentation of existing and incremental Working Capital requirement of our Company.	1,229.17
Part repayment or prepayment of Unsecured Loans / Inter-Corporate Deposits availed by our Company from Mr. Pawan Kishorilal Agarwal (Promoter) and Black Gold Leasing Private Limited (Promoter group)	1,200.00
Part repayment/pre-payment of certain secured loans availed from lenders	450.00
Issue related expenses	46.52
Gross Proceeds from the Issue	2925.69

The details of the Net Proceeds are set forth in the following table:

Particulars	Amount
Gross Proceeds from the Issue	2925.69
Less: Adjustment of Unsecured Loan against the entitlement (including additional subscription, if any) of Promoter and Promoter Group company	(1,200.00)
Less: Issue related expenses	(46.52)
Net Proceeds from the Issue	1679.17

Requirements of Funds

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm

arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2022-23.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the fund requirement described herein.

Details of the Objects of the Issue

1. Augmentation of existing and incremental Working Capital requirement of our Company

The garment and process house business are predominantly labour intensive and accordingly working capital requirement is very substantial. We fund mainly the margin portion of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change. Since our Company also operates in the retail sector, the receivables are at times seen in a very disproportionate way.

Considering the promising growth in the segments of garments manufacturing business, and the consistent increase in the demand from various sectors of the trade the Company has set up another garment unit at Vapi in the state of Gujarat to increase the scale of production. As per the Limited Review Unaudited Consolidated Financial Results for the nine-month period ended December 31, 2021, our Company has recorded significant improvement in the business and registered profits. Originally, the Company was availing ₹ 34.30 crores of working capital Cash Credit (CC) limits from the banks. However, in view of lower- scale in performance and consequent losses generated in the financial year 2020-21 because of the widespread impact of the COVID-19 Pandemic, our Company had to surrender significant portion of the Working capital limits amounting to ₹ 14.30 crores to the bank. The Company has incurred. The Company incurred further losses in the financial year 2021-22. The company in view of promising performance as well as based on the projections, indicative of a better outlook in the garment and apparels industry, decided to expand the production of garment section. This has again resulted in an increase in the working capital requirement in our Company. Considering our previous experience in this matter, our Company, instead of borrowing from the banks, proposes to fund the same through issue of additional equity capital. Apart from this, the funds raised through this means will bring long-term stability in our Company from the financial point of view. This will help our Company to prepare itself towards meeting the challenges in the execution of large-scale orders from our customers as well as to enter into a long-term strategic partnership with them in order to support their supply chain process.

The details of Working Capital Requirement (on a standalone basis), is as under:

(₹ in Lakhs)

Particulars	Actuals 2020-21	Actuals 2021-22	Estimated 2022-23	Projected 2023-24
(A) Current Assets				
Inventories	3,688.46	2057.20	2718.57	3398.70
Trade Receivables	3,628.32	3702.22	3,465.75	3794.52
Short-term loans and advances	5.17	2.62	4.16	3.66
Other current assets	948.81	1059.60	475.43	448.87
Total Current Assets (A)	8,270.76	6822.14	6663.91	7645.75
(B) Current Liabilities				
Trade Payables	2,511.17	3203.64	2881.53	2769.17
Other current liabilities	998.04	1869.54	1428.91	1140.03
Total Current Liabilities (B)	3,509.21	5073.18	4310.44	3909.20
Working Capital Gap (WCL) (A) –(B)	4,761.55	1748.96	2353.47	3736.55
To be financed by:				
Bank Working Capital Borrowings	3,414.66	2098.11	3,000.00	3500.00
Unsecured loans	-	1450	-	-
ECLGS & Others	544.71	369.71	90.71	-
Internal Accruals	802.18	(2168.86)	(737.24)	236.55

i) Proposed Funding through Rights towards Working Capital

Projected Working Capital	: ₹3000 Lakhs
Present Limits enjoyed	: ₹2000 Lakhs
GAP	: ₹1000 Lakhs
Total requirement of Working Capital	: ₹1000 Lakhs
Additional GAP	: ₹737.24 Lakhs

- ii) The Working Capital proposed to be financed through this Rights Issue shall be ₹1229.17 lakhs. The amount in excess of the above gap is for possible contingencies or fluctuation in working capital requirement on account of possible impact to business due to the fourth wave of Covid-19 pandemic.

Basis of Estimation & Justification

The incremental working capital requirements and deployment are based on projected data, based on the experience of our management team and our internal management appraisal and estimation of the future requirements considering the growth in the activities of our Company. The projections are progressive and depend on various market, economic and geopolitical and global factors. Hence it may vary substantially on either side, or any judgments or decision can be taken only after considering all these risk factors.

Particulars	No. of Months	
	Holding Level as of FY 2022-23 (Estimated)	Holding Level as of FY 2023-24 (Projected)
Inventory	3.00	3.30
Trade Receivables	3.50	3.50
Trade Payables	5.00	4.65

Justification for Estimation

Particulars	Details for FY 2023-24 (Projected)
Inventory	Inventory comprises of various components mainly finished garments and fabrics, work in process, raw materials, stores and engineering as well as electric/electronics items including packing materials and others etc. The inventory holding level is very high due to pandemic conditions and gradually to come down over the years.
Trade Receivables	The holding period of Trade Receivables is very high due to the pandemic situation and efforts are on to reduce the same. The company has a designated team of people to follow with the customers to bring down the outstanding levels. The team is constantly in touch with the customers to reconcile, take back or offer additional discounts to ensure the liquidation of any unsold inventory. As such the retails sector are prone to higher level of receivables. So better and faster collection period is envisaged once the situation from the pandemic improves completely.
Trade Payables	The credit period of Trade Payables has been estimated to have a balanced approach to gain maximum discounts with better pay out position. The future projections are maintained at competitive terms because of the prompt payments made by the organization to its suppliers in order to avail favourable credit terms and to ensure a continued relation with the suppliers

2. Adjustment of unsecured loans given by its Promoters

Since the Company is in a working capital-intensive industry and requires working capital on a continuous, ongoing and urgent basis, the Promoters and Promoter Group have time and again been advancing unsecured loans to the Company for its day-to-day requirements at various intervals. As on date of this Letter of Offer, our Company has availed unsecured loans amounting to ₹ 1,200 lakhs from our Promoter, Mr. Pawan Kishorilal Agarwal and our Promoter Group entity, Black Gold Leasing Private Limited to primarily to repay the borrowings from banks. These loans are repayable on demand and there are no penalties for prepayment.

Our Company intends to utilize ₹1200 lakhs of the Net Proceeds towards full repayment or prepayment of these unsecured loans. The interest rate on such unsecured loans is mutually agreed between Black Gold Leasing Private Limited and our Company. The repayment terms of the unsecured loans are on demand.

Sl. No.	Name of the Entity	Outstanding Unsecured Loan (₹ in Lakhs)	Interest p.a.	Proposed repayment or prepayment from Net Proceeds (₹ in Lakhs)
1.	Pawan Kishorilal Agarwal	750.00	Nil	750.00
2.	Black Gold Leasing Private Limited	450.00	7.75%	450.00
	TOTAL	1,200.00		1,200.00

Our Promoter and Promoter Group have vide letter dated March 25, 2022 requested our Company to adjust unsecured loan amounting to ₹1200 lakhs against their entitlement, including additional subscription, if any instead of seeking a repayment of the same. Thus, a portion of the Issue Proceeds is proposed to be utilised for repaying the unsecured loans amounting to ₹1,200 lakhs availed from the remaining members of the Promoter and Promoter Group.

Our Promoter and some of the Promoter Group members have undertaken to subscribe, jointly and severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of Additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempted in terms of Regulation 10(4)(b) of the SEBI Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹33.20.

Interest of Promoters and Directors in the objects of the Issue

Mr. Pawan Kishorilal Agarwal and Black Gold Leasing Private Limited, our Promoter and Promoter Group entities have, vide their letters dated March 25, 2022 and March 25, 2022 respectively, confirmed that an amount of ₹ 750 lakhs and ₹ 450 lakhs respectively, which has been availed by our Company, in the nature of unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoter, to the extent of its entitlement, renunciation of entitlement in favour of the members of Promoter Group (if any) in the Issue , as well as Additional Rights Equity Shares to be applied for by him/them for the unsubscribed portion, (in part or full, as the case may be) in the Issue. Consequently, no fresh Issue proceeds would be received by our Company to such an extent.

For a complete disclosure of the principal terms and conditions of the loans and assets charged as security for the said loans, please refer to the section titled “*Financial Indebtedness*” on page 225 of this Letter of Offer.

3. Part repayment/ Pre-payment of certain secured loans availed from lenders

Our Company proposes to utilize an aggregate amount of ₹ 450.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment of the secured loans availed by our Company. The selection and extent of loans proposed to be repaid from our Company's loans mentioned below will be based on various commercial considerations including, among others, the costs, expenses and charges relating to the facility including interest rate of the relevant loan, the amount of the loan outstanding, the remaining tenor of the loan, presence of onerous terms and conditions under the facility, levy of any pre-payment penalties and the quantum thereof, provisions of any law, rules, regulations governing such borrowings, terms of pre-payment to lenders, if any and mix of credit facilities provided by lenders.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these loans may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to allotment. However, the aggregate amount to be utilized from the Net Proceeds towards prepayment or repayment of loans in part or full, would not exceed ₹ 450.00 lakhs. The pre-payment or repayment will help reduce our outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, with improvement in our capacity to leverage, we believe it will enable us to raise further resources on better terms at a future date to finance emerging business opportunities that may arise.

For a complete disclosure of the principal terms and conditions of the loans and assets charged as security for the said loans, please refer to the section titled "Financial Indebtedness" on page 225 of this Letter of Offer.

Breakup of Identified Loans as at August 27, 2022 out of which ₹ 450.00 lakhs is proposed to be repaid:

Name of the Lender	Purpose / Type of Loan	Amount sanctioned (₹ in Lakhs)	Amount outstanding as on August 27, 2022 (₹ in Lakhs)	Rate of Interest per annum (%age)	Pre-payment penalty, if any
South Indian Bank Limited	Cash Credit	500.00	496.04	10%	-
	ECLGS	196.93	136.76	8.70%	-
	TUF Loan	65.00	59.76	10.40%	-
Axis Bank Limited	Cash Credit	1,500.00	1489.02	8.85%	-
	ECLGS	485.00	323.33	8.75%	-
TOTAL		2746.93	2504.91		

Our statutory auditors have, vide their certificate dated August 30, 2022 (UDIN: 22148540AQLSR5570), confirmed the above loans outstanding as on August 27, 2022

4. Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount ^ (₹ in Lakhs)	As a percentage of total expenses	As a percentage of Issue Size
Fees of the Lead Manager, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out-of-pocket expenses etc.	31.27	67.22	1.07
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	4.03	8.66	0.14
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	11.22	24.12	0.38
Total	46.52	100.00	1.59

i. Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

The amount utilized till August 10, 2022 towards Issue expenditure is ₹ 12.72 lakhs as per the Certificate of the Statutory Auditors dated August 30, 2022[UDIN No: 22148540AQHNN06025]

^ Excluding taxes

ii. Assuming full subscription

Strategic and/or Financial Partners

There are no strategic and financial partners.

Appraisal

None of the Objects of the Issue have been appraised by any bank or financial institution.

Bridge Financing Facilities

Our Company has not availed any bridge loan from any bank or financial institution as on the date of the Letter of Offer, which are proposed to be repaid from the Net Proceeds of the Rights Issue.

Interim use of funds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our

Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹ 10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters and Promoter Group, Directors, Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment/prepayment of unsecured loans availed by our Company from our Promoter and Promoter Group entities as cited above.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Suditi Industries Limited
C-253/254, MIDC, TTC Industrial Area,
Pawne Village, Turbhe, Navi Mumbai – 400705

Dear Sirs/ Madam,

Statement of Possible Special Tax Benefits available to Suditi Industries Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Suditi Industries Limited ('the Company'), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the IT Act') as amended by the Finance Act 2022, i.e., applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24 and The Central Goods and Services Act, 2017, The State Goods and Services Act, 2017, The Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Service Tax Act, 2017, as amended (collectively referred to as 'GST Regime') presently in force in India.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the IT Act and GST Regime. Hence, the ability of the Company and / or its shareholders to derive the possible special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

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

Sd/-

(Siddharth Punamiya)

Partner

Membership No.: 148540

ICAI UDIN: 22148540AQHNNR8806

Place: Mumbai

Date: August 30, 2022

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 (“the IT Act”) as amended by the Finance Act 2022, i.e., applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24 and The Central Goods and Services Act, 2017, The State Goods and Services Act, 2017, The Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Service Tax Act, 2017, as amended (collectively referred to as “GST Regime”), presently in force in India.

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. This statement does not discuss any tax consequences in the country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income-tax consequences that apply to them.
2. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
3. The above statement covers only above-mentioned tax laws benefits and does not cover benefits under any other law.

KEY INDUSTRY REGULATIONS

There are no industry regulations applicable specific to the activities for which the funds are being raised by our Company in this Issue, other than those currently applicable to the business of our Company.

SECTION VI – ABOUT THE ISSUER COMPANY

INDUSTRY OVERVIEW

Industry Scenario

Textiles and garments industry is expected to reach \$190 bn by 2025-26 from \$103.4 bn in 2020-21.

The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

The domestic textiles and apparel industry stood at \$108.5 bn in 2019-20 of which \$75 bn was domestically consumed while the remaining portion worth \$28.4 bn was exported to the world market.

The highest contributors to FDI in the Textile sector of India (including dyed, printed) from April 2016 to March 2021 are Japan, Mauritius, Italy, and Belgium.

Cotton production supports 5.8 million farmers and 40-50 million people in allied sectors.

Further, the domestic consumption of \$75 bn was divided into apparel at \$55 bn, technical textiles at \$15 bn and home furnishings at \$5 bn. While exports comprised of apparel exports at \$12 bn; home textiles exports at \$4.8 bn; fabric exports at \$4 bn; yarn exports at \$3.8 bn; fibre exports at \$1.8 bn and others at \$2 bn.

Export of Cotton Yarn/Fabrics/Made ups, Handloom Products etc. was valued at \$1297.82 bn in August 2021 with a positive growth of 55.62% over exports of \$833.95 bn in August 2020.

Export of Readymade garments of All Textiles was valued at \$1235.11 bn in August 2021 with a positive growth of 13.99% over exports of \$1083.53 bn in August 2020.

Industry structure - segment

- i. Branded garments**
Combination of exclusive brand stores and multi-brand outlets
- ii. Technical textiles**
Medical textiles, agro-textiles, geotextiles protective clothing
- iii. Man-made fibres**
Carpets, conveyor belts, fire-resistant materials
- iv. Textile Machinery Manufacturing**
Across segments such as spinning, knitting, weaving and processing

India has the unique advantage of the entire value chain for textile production present within the country vis-à-vis other competing nations which have to import fibre, yarn and fabric to meet their requirement for garment production. It has a large market, which is growing rapidly with affordable manpower. The domestic textile and apparel production is approx US\$ 140 Bn including US\$ 40 Bn of Textiles and Apparel export. The textile and apparel industry contributed 2% in the overall GDP of India in 2019 and 11% to total manufacturing in GVA.

Availability of almost all types of raw materials, existence of total value chain, young demography of India, entrepreneurial mindset of industry leaders, continuous support of Government, technology up gradation, focus on innovation and strong presence of support industries will help this sector grow at a healthy pace in coming decade. Widely referred to as a change agent owing to its transformative powers, this industry alone has the capacity to generate around 70 jobs in garmenting and an average of 30 jobs overall for every INR 1 crore (USD 132,426) invested as compared to 12 jobs created on an average in other industries. With direct and indirect employment of close to 105 million people, this industry is the second largest employment generator in the country, next only to agriculture. More significantly, women constitute 70% of the workforce in garment manufacturing and about 73% in Handloom.

The growth of India as a manufacturing hub for textiles will depend on the attractiveness of the domestic market and on investments in high-end textile machinery and products in emerging areas like technical textiles, Man Made Fiber (MMF). A hallmark achievement of the Ministry includes, India has established a Rs 7000 crores PPE industry in a short span of just three months in post-COVID situation and becoming the second largest producer of PPEs.

Man-Made Fibres

- India is the second largest producer of both polyester and viscose globally
- The domestic MMF industry mainly comprises of two components i.e., polyester and viscose which together accounts for 94% (in volume terms). Under this, polyester accounts for about 77.5% while viscose accounts for the remaining share. MMF is primarily used to produce 100% non-cotton fabrics and blended fabrics, which are in turn used in readymade garments, home textiles and other industrial textiles.
- MMF production witnessed an increase of about 3.7% y-o-y in FY19 after declining about 0.7% in FY18. The total MMF production as of 2019 stood at 2.6 billion kgs.
- Factors such as increasing use in non-woven and technical textiles, changing consumer trends including increasing emphasis on fitness and hygiene, rising brand consciousness, fast changing fashion trends, increasing women participation in workforce will further boost the demand for manmade fibres.

FDI Facts

- 100% FDI allowed in the Automatic Route sector
- US\$ 3.74 bn invested in the textile sector (including dyed and printed) (April 2020 – March 2021)

Key facets about the industry

- a. India is among the world's largest producers of Textiles and Apparel
- b. One of the largest consumers and producers of cotton with the highest acreage of 126.14 lakh hectares under cotton cultivation
- c. Second largest manufacturer of PPE and producer of polyester, silk and fibre in the world
- d. Second largest employment provider in India after agriculture

(Source: <https://www.investindia.gov.in/sector/textiles-apparel>)

Recent key initiatives of the Ministry during the year are as under:

PM MITRA PARKS: Government has approved Setting up of 7 Pradhan Mantri Mega Integrated Textile Region and Apparel (MITRA) Parks with a total outlay of ₹ 4445 Crores in a period of 5 years. World-class Industrial infrastructure would attract cutting age technology/scale and FDI / local investment in the sector. PM MITRA Park will encompass all '5F' components: Farm to Fibre; Fibre to Factory; Factory to Fashion; Fashion to Foreign. PM MITRA Park is envisaged to be located at sites which have inherent strength for Textile Industry to flourish. PM MITRA Park will offer the opportunity to create an Integrated Textiles Value Chain right from spinning, weaving, processing/dyeing and printing to garment manufacturing etc. at one location and will reduce logistics cost of Industry. It is intended to generate around 1 Lakh direct and 2 lakh indirect employment per park.

Production Linked Incentive (PLI) Scheme for Textiles:

Production Linked Incentive (PLI) Scheme for Textiles is specially focused at high value and expanding MMF and Technical Textiles segments of Textiles Value Chain. Incentives worth ₹ 10,683 crore will be provided over five years for manufacturing notified products of MMF Apparel, MMF Fabrics and segments/products of Technical Textiles in India. This will give a major push to growing high value MMF segment which will complement the efforts of cotton and other natural fiber-based textiles industry in generating new opportunities for employment and trade. It will help create 50-60 global champion of exports.

RoSCTL scheme and Duty Structure:

Government has approved continuation of RoSCTL scheme up to March 2024 to boost export competitiveness of Indian apparel and made-ups. The changed rates will come into effect from 1st January, 2022. This will help the MMF segment grow and emerge as a big job provider in the country.

AMENDED TECHNOLOGY UPGRADATION FUND SCHEME (ATUFS):

Technology Upgradation Fund Scheme (TUFS) is a credit linked subsidy scheme intended for modernization and technology up-gradation of the Indian textile industry, promoting ease of doing business, generating employment and promoting exports. The ongoing ATUFS with an allocation of Rs 5151cr has been implemented with focus on facilitating and providing support to MSMEs.

TECHNICAL TEXTILES:

The Technical Textiles segment is a new age textile, whose application in several sector of economy, including infrastructure, water, health and hygiene, defense, security, automobiles, aviation will improve the efficiencies in those sectors of economy. Government has also launched a National Technical Textiles Mission for promoting R&D efforts in that sector.

SAMARTH (SKILL DEVELOPMENT & CAPACITY BUILDING):

Samarth is a placement-oriented programme targeting skill development of unemployed youth in the value chain of textiles for gainful employment in organized sector and skill upgradation of weavers & artisans in traditional sector. So far, a total of 71 textile manufacturers, 10 industry associations, 13 state government agencies and 4 sectoral organizations have been on-boarded under the scheme with an allocated target of 3.45 lakh beneficiaries, after due process of empanelment.

NATURAL FIBERS:

India enjoys a pre-dominant position in availability of natural fibers of textiles.

Silk: India's traditional and culture bound domestic market and an amazing diversity of silk garments help the country to achieve a leading position in silk industry. India is the second largest producer of silk next to China. It contributes about 32% of global silk production. Total size of the Indian silk industry is ₹75000.00 crore(estimated). The Government has taken a number of steps for promotion of investment, production, exports and employment generation in the sericulture sector across the country.

The central sector scheme "Silk Samagra" provides R & D/ Seed support, technical and financial assistance for enhancing the quality and production of silk. The main focus of the scheme is to make India Atma Nirbhar in production of international grade bivoltine silk and scale up the Automatic Reeling Machine. Brand "Indian Silk" is promoted through Product Development & Diversification to address the global market need.

Cotton: CCI could procure around 26 lakh bales under MSP Operations and about 6 lakh cotton farmers were benefitted by disbursement of ₹7600 crores directly into their bank account.

Jute: Jute-ICARE (Improved Cultivation and Advanced Retting Exercise) scheme has been implemented for improvement of quality and yield of raw jute production. Jute Raw Material Bank (JRMB) Scheme is for supplying jute raw materials at Mill Gate Price to MSME JDP units for production of jute diversified products.

Wool: Ministry of Textiles has approved rationalization and continuance of Integrated Wool Development Programme (IWDP) from 2021-22 to 2025-26 with total financial allocation of ₹ 126 Crore. 'Wool Processing Scheme' is for promotion of woollen industry.

2021- A Year of Game Changing Reforms for Ministry of Textiles

- i. The Government approved Setting up of 7 Pradhan Mantri Mega Integrated Textile Region and Apparel (MITRA) Parks with a total outlay of ₹ 4445 Crores.
- ii. Under PM MITRA Parks World-class Industrial infrastructure would attract cutting age technology/scale and FDI / local investment in the sector.
- iii. PM MITRA Parks to generate around 1 Lakh direct and 2 lakh indirect employment per park.
- iv. Production Linked Incentive (PLI) Scheme for Textiles is specially focused at high value and expanding MMF and Technical Textiles segments of Textiles Value Chain.
- v. Government approved continuation of RoSCTL scheme up to March 2024 to boost export competitiveness of Indian apparel and made-ups.
- vi. Under SAMARTH Scheme, a total of 71 textile manufacturers, 10 industry associations, 13 state government agencies and 4 sectoral organizations on-boarded with an allocated target of 3.45 lakh beneficiaries.
- vii. Ministry of Textiles approved rationalization and continuance of Integrated Wool Development Programme (IWDP) from 2021-22 to 2025-26 with total financial allocation of ₹ 126 Crore.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1785516>)

Opportunities & Threats:

The textile and apparel sector has become the most severely affected among manufacturing sectors due to the novel coronavirus pandemic, which has challenged the world on every front be it economy, health care, politics, planning or social values at large. It is something unprecedented in mankind's history. It is the worst nightmare of policymakers, who on one hand are trying to slow its spread, and on the other, busy in efforts to make it less deadly in terms of its social and economic impact.

When the pandemic struck, the world was totally unprepared to deal with a contingency of such magnitude and was caught napping. To slow the spread of the virus, lockdown seemed to be the only viable option. India also announced a nationwide lockdown in late March 2020 which again was enforced in the year 2021 from April due to the outbreak of the second wave of COVID 19 pandemic. The brunt of this lockdown was born by migrant workers, who in no time saw their livelihood shattered as factories shut down. The sector severely hit by the pandemic-induced lockdown is the textile and apparel. It contributes 13 per cent to India's total exports, 7 per cent to the industrial output in value terms, 2 per cent to India's gross domestic product (GDP), 15 per cent to export earnings, and offers employment to around 60 million directly or indirectly. The industry was estimated to be worth \$100 billion in January 2020 and includes a wide range of players, including manufacturers, retailers, wholesalers and exporters of cotton textiles, handloom and woollen textiles. It also includes those engaged in the manufacturing of capital goods, such as textile machinery and equipment, dyes and raw materials, finished textiles, fabrics and garments. Exports in the sector from India were projected to reach \$82 billion in fiscal 2020-21 from \$39 billion in the last fiscal.

The pandemic not only affected the demand for textile and apparel but also its supply. India is one of the major textiles and apparel exporters (around 60 per cent of the country's exports) to the United

States and the European Union (EU) and these markets were hit hard by the virus. Buyers from these markets either cancelled their orders or put them on hold because consumers were locked inside; shopping malls were closed and access to online marketing was restricted. Further as per experts the COVID-19 impact on European and US Apparel Market was estimated that the combined US and EU apparel consumption would fall by about \$308 billion, around 45 per cent lower than the projected figures in 2020. The spread of the virus has majorly impacted the textile industry as China, the United States and the EU are huge markets for Indian textile products. The cascading effect of external demand shock along with domestic demand slack resulted in lower production. Many firms were shut down and production fell drastically. The retail prices now will see a jump because sanitization and social distancing measures are going to add to the costs. This will make deficient demand a perennial phenomenon for the industry. The virus has shattered the supply chain at each level.

Crises can create new avenues for growth. Companies will have entered the crisis from various positions of strength, so go-forward opportunities will be, to some extent, bound by starting positions. But all companies would do well to take a hard look at the portfolio: Are you playing in the most attractive spaces and channels? Are you set up to execute effectively to capture demand? Is there an opportunity to consolidate or acquire brands, assets, or capabilities at attractive multiples that would allow you to better serve your core customer? There will be important choices about what brands, partnerships, and organizational changes to pursue but also about what not to pursue. The crisis is poised to precipitate a massive shakeout, and the players that ask and answer the tough questions will be better positioned to revive their business.

While, in the short term, a demand shock has driven a decline in online conversion and sales, we believe that in the longer run there could be permanent shifts in consumer shopping behavior that push more traffic and categories online. For example, in China, new customer segments and markets have gravitated toward e-commerce; the same could happen in other parts of the world including India. Retailers could see a broader adoption of e-commerce among previously underpenetrated categories (such as lingerie) and consumer segments (such as baby boomers). Therefore, one need to take this opportunity to leapfrog into the digital arena by making it the center of your operating model. Start by revising channel-mix targets and investment allocation to give a greater share to online channels. Accelerate personalization in digital marketing so that you can deliver the same quality of interactions online that consumers are accustomed to in stores. Explore new ways of partnering with e-retailers to gain growth momentum through their channels while protecting your brand equity.

While no one can predict what the “next normal” will be like, we expect a strong desire on the part of consumers to resume their pre-crisis habits once conditions allow. Some themes that have begun to surface in our consumer research and in discussions with CEOs include the following: *All casual, all the time*. Many people will return to a fundamentally different work environment—one in which telecommuting, flexible hours, and an emphasis on work– life balance are new norms. Comfort could become a top consideration in apparel purchases. The trend toward “casualization,” which was already strong prior to the crisis, could further accelerate. Secondly a *focus on flexible supply chains, centered on ‘made in India.’* Many apparel and fashion companies will look to on shoring or near shoring, as they begin to value a flexible supply chain over a low-cost one. An evolution in clean beauty. There could be a shift in what “clean” means in beauty and personal-care products, as consumers increasingly emphasize product safety and quality over organic or all-natural ingredients. It will be critical to keep a close watch on how your consumer base is changing and determine what that means for your brand. There’s no denying that the post COVID-19 pandemic will be a difficult period. For some companies, even survival

will be a struggle. If, however, apparel and fashion companies lead with compassion and undertake bold actions, they can position themselves not only to weather the crisis but to emerge from it even stronger.

The post-COVID-19 era has provided a big opportunity for the online textile industry. The sales in the online textile industry witnessed a jump in various cities and states of India due to the lockdown to curb the spread of the COVID-19 pandemic.

Clothes are one of the basic needs of existence, which is why even during lockdown, the online textile industry witnessed a boom in sales. The lockdown failed to leave any negative impact on the online textile industry because of its operations in the virtual space, leaving no room for human or physical contact. The online textile industry even registered an increase in sales due to no dependency on the offline industry comprising, for example, the wholesaler, semi wholesaler, retailers, middle persons etc. Due to such an upward trend being witnessed in the online textile industry, retailers with a presence on the internet have a big possibility to become profit multiplier. With all these developments in place, businesses of the online retail industry also witnessed a spike in revenue sheets. During the lockdown, shopping was taking place through the online route and most of the customers were happy with the online experience. Right from choosing items to trying them, even the return policies created a win-win situation for shoppers on the internet as customers felt very comfortable purchasing their stuff online. It has been predicted by many textile industry experts that the trend of increased sales in the online textile industry will continue to persist in the future as well. And, hence, the birth of online retailer unicorns is imminent.

In 2021, e-retailers proved to be a big game-changer by playing a pivotal role in the recovery of the Indian economy in the post- COVID-19 era. The Indian textiles and apparel industry have contributed 2.3 percent to the GDP of India, 13 percent to industrial production, and 12 percent to export earnings. Post-COVID-19, as the Indian economy shows green shoots of recovery, the future of the online textile industry looks promising in the wake of increased domestic consumption after a lockdown, in addition to export demand playing an important role. Even the government aims for the textile sector to be the key focus of new policies being framed to achieving the target of a \$5 trillion economy. In Budget 2021-22, the government proposed a scheme for setting up Mega Textile Parks in the country to enable India's textile industry to become globally competitive, attract large investments, and boost employment generation through the creation of world-class infrastructure. Another major trend observed is the steady growth of the global luxury industry over the past 16 years barring this year because of the pandemic and it is commonly believed to be one of the most appealing and profitable industries in the world. In addition to its economic value, luxury fashions brands help develop the best fashion products for the market.

(Source: Annual Report of our Company for FY 2020-21; chapter on Management Discussion & Analysis)

BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 30, for a discussion of the risks and uncertainties related to those statements, as well as "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 113 and 209, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this chapter is derived from our Audited Consolidated Financial Statements.

Overview

Established in 1991, our Company is in the business of manufacture of fabrics and has over the years developed into a comprehensive ecosystem covering knitting, dyeing, printing, finishing and garmenting.

Presently, we have three manufacturing facilities two of which are located at MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai in the state of Maharashtra and the third at Vapi in District Valsad in the state of Gujarat.

Our Company has an annual installed capacity of 12 lakh pieces per annum at our Garments division. Besides, Our Company has an annual installed capacity of 4,050 Metric Tonnes per annum in our Dyeing division.

By establishing control over all processes in the value chain, we focus on products of consistent and standardized quality.

Suditi vertically integrated into retail with the brand RIOT in 2010. In 2014, we acquired the apparel rights for the FIFA World Cup in India. Today, we are running several brands including YouWeCan, Nush, IndianInk and licensed sports brands NBA, FC Barcelona, and Manchester City F.C.

The Brand Name "RIOT" is not owned by us and has been assigned to us on perpetual basis by our group company "Intime Knits Private Limited" by way of a Trademark Assignment agreement dated March 20, 2013 for the right to use the Brand name / Trademark titled 'RIOT'.

Main Objects of the Company

Our main objects as contained in our Memorandum of Association are as under:

"To manufacture, buy, sell, import and export readymade garments made out of woven, knitted, felted, netted, looped or flocked fabrics made of all kinds of fibre whether natural, synthetic or man-made and to carry on the business of manufactures, importers and exporters, whole-sale and retail dealers of and in hosiery goods of every kind, nature and description, for men, women and children including vests, underwear, socks, stockings, sweaters, laces."

Existing and the proposed activities of our Company are within the scope of the Object Clause to our Memorandum of Association.

Amendments to our Memorandum of Association

October 21, 1994	Change in Name	Change in the name of the Company from SUDITI HOSIERY PROCESSORS LIMITED to SUDITI INDUSTRIES LIMITED.
August 29, 2008	Increase in Authorised Share Capital	Increase in Authorized Share Capital from ₹ 10,00,00,000 (Rupees Ten Crore only) to ₹ 18,00,00,000 (Rupees Eighteen Crore only)
September 29, 2017	Increase in Authorised Share Capital	Increase in Authorized Share Capital from ₹ 18,00,00,000 (Rupees Eighteen Crore only) to ₹ 25,00,00,000 (Rupees Twenty-five Crore only)
November 16, 2021	Change in Registered Office	Shifting of Registered Office from “Shah & Nahar Industrial Estate, A-2 Unit No. 23/24, Dhanraj Mills Compound, Lower Parel, Mumbai – 400013” to “C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705”
November 16, 2021	Increase in Authorised Share Capital	Increase in Authorized Share Capital from ₹ 25,00,00,000 (Rupees Twenty-five Crore only) to ₹ 30,00,00,000 (Rupees Thirty Crore only)

Principal Business Activities

We are a fully vertically integrated textile and apparel infrastructure company comprising fabric processing, garment manufacturing and retail & distribution.

Our principal business activities include the following:

- i. Manufacturing of Clothing accessories and textile garments
- ii. Manufacturing of knitted cotton textile products and crocheted cotton textile products, and
- iii. Manufacturing of knitted synthetic textile products and crocheted synthetic textile products.

Of the above, Clothing accessories and textile garments constituted ~40% of our turnover in FY21 and ~60% of the turnover was contributed by knitted cotton textile products and crocheted cotton textile products. The synthetic products have an insignificant contribution to our Company’s turnover.

Manufacturing facilities

The Company has three production facilities at the following locations:

Unit 1: C-253/254, MIDC, TTC Industrial Area
Pawne Village, Turbhe
Navi Mumbai – 400705
Maharashtra

Unit 2: C-3/B, MIDC, TTC Industrial Area

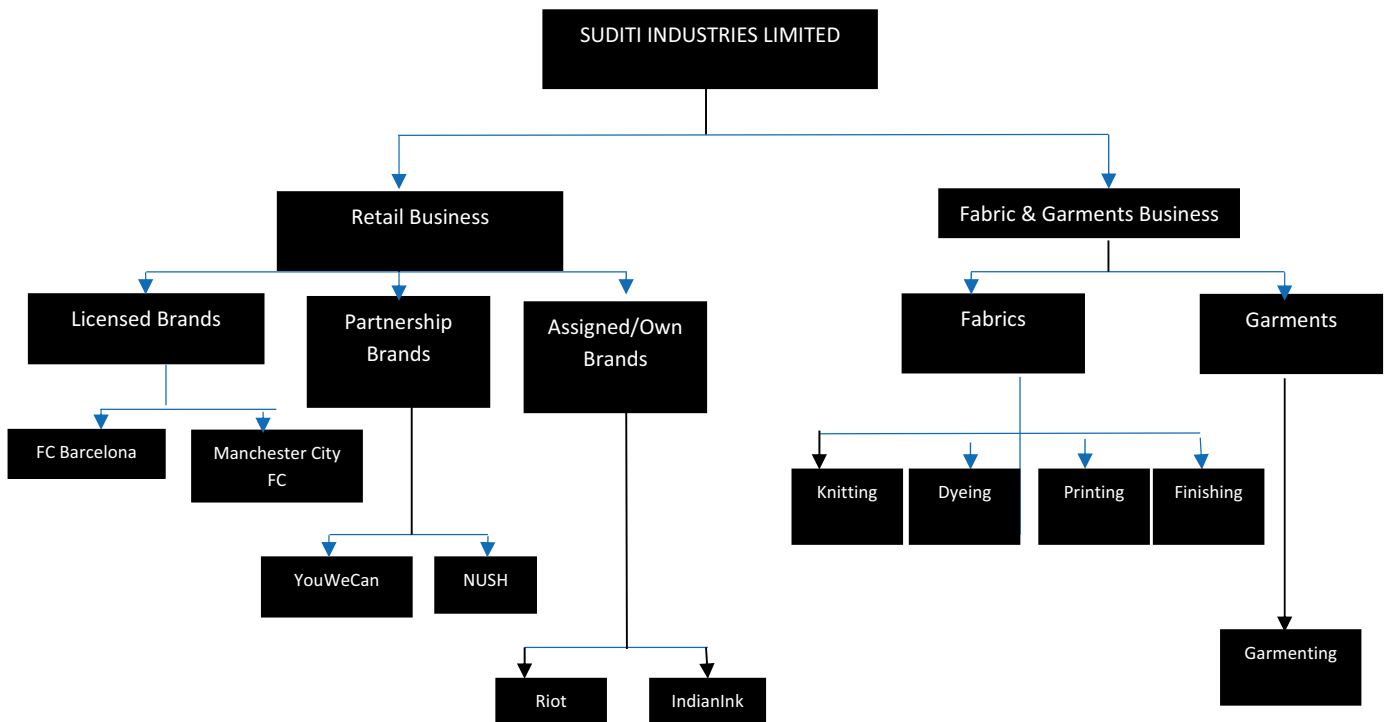
Pawne Village, Turbhe
Navi Mumbai – 400705
Maharashtra

Unit 3: Plot No. 25, Block No. 5091, (Old No. 846/25)
Vapi, District Valsad - 396191
Gujarat

Products

- I. Fabric and Garments business
- II. Retail business, which constitutes
 - Licensed Brands
 - Own Assigned Brands – RIOT and INDIAN INK
 - Partnership Brands – NUSH and YouWeCan

Business Mix



Fabrics Division

- SIL's fabric plant unit started way back in 1991, and since has scaled up its operations over the years.
- The company's fabric unit has facilities for knitting, dyeing, printing and finishing of yarns.
- SIL is well reputed for its excellence and quality textile. The vertical integration allows the Company to pass on the benefits of quality and adaptability to its customers to supply products as per customer specifications within the given time frame.
- The processing unit of SIL is spread across 36,000 sq. feet and another 50,000 sq. feet for knitting. This unit has an annual installed capacity to produce 4,050 MT of high-quality knitted hosiery fabrics every year and a dyeing capacity of 12 Tons per day.
- The company's processing unit clients are spread across various textile, garment and apparel manufacturers across the country.

Fabric Processing facilities

This constitutes the following functions

- Knitting
- Dyeing
- Printing
- Finishing
- Garmenting

A. Knitting

The knitting department has an annual manufacturing capacity of 2000 tons of diverse fabrics such as Single Jersey, Pique, Rib, Terry, Interlocks, Pointelle, Fleece, Jacquards and Autostipers.

We are equipped with 60 circular knitting machines imported from Mayer and Cie – Germany, Vanguard – USA, and Terrot – Germany

B. Printing

The Printing unit is equipped with machines such as the MHM for placement printing and flat-bed printing. It is capable of providing customers with a variety of print techniques including Reactive, Discharge, Disperse and Pigment prints.

C. Dyeing

The Dyeing unit has a daily dyeing capacity of 12 tons of knitted fabrics. We primarily work with cotton, viscose and polyester blends. Our dyeing infrastructure consists of 24 soft-flow dyeing machines imported from Sclavos, Greece.

D. Finishing

The Finishing unit is equipped with a variety of imported machines such as:

- i. Relax Drier
- ii. Shearing
- iii. Compacting
- iv. Raising
- v. Peaching
- vi. Pad,
- vii. Squeeze
- viii. Stretch
- ix. Brushing,
- x. Tumbling,
- xi. Stentering and,
- xii. Open Felt Machines

These machines allow us to provide clients with products tailored to their exact specifications, be it finishing winter knits, softening fabrics or providing stain-repellent and odour-eliminating treatments.

E. Garmenting

The garmenting unit includes multiple activities such as cutting, stitching, printing, washing and embroidery. We are equipped with machines companies such as Juki, Pegasus and Yamato. Our embroidery machines are supported by Seit laser cutting attachments.

We use MHM and Digital Printing machines for garment printing.

Our infrastructure supports daily production of 6,000 pieces which includes diverse product basket such as knitted garments for men, women and kids in categories such as casual wear, sportswear and active wear.

Retail – Licensed Brands

Licensing for our Company commenced with FIFA World Cup 2014, when we undertook manufacturing and marketing of fashion apparels.

Encouraged by the response of its success through this, our Company has thereafter executed agreements with other reputed international clubs such as FC Barcelona and Manchester City to design and manufacture licensed clothing-line that include categories such as T-Shirt, Sweatshirts, Polo's, Jackets, Track Pants, Boxers, etc.

Our Company has licensing agreements with:

- i. International Ips : FC Barcelona
Manchester City F.C
NBA
Paris Saint-German F.C
Manchester City F.C (with Suditi Sports Apparel Limited)
MotoGP (with Suditi Sports Apparel Limited)

- ii. Domestic Ips * : Indian Super Leagues
Mumbai Indians
Kolkata Knight Riders
U Mumba

** These licentiate arrangements are with Suditi Sports Apparel Limited*

Retail – YouWeCan

Our Company has partnered with cricketer Yuvraj Singh in 2016 to launch a clothing line under brand ‘YouWeCan’. The brand includes lifestyle and fashion apparel for men, women & kids.

Retail – NUSH (in a joint venture with SAA & Suditi Retail Private Limited)

Our Company has partnered with celebrity actor Anushka Sharma for a 50:50 Joint Venture to launch a clothing line under the brand ‘NUSH’. The brand was launched in October, 2017. The range is launched with a firm focus of instilling everyday fashion for everyday women.

Retail – RIOT

RIOT was incorporated as a casual fashion brand for the youth. The brand offers contemporary clothing and accessories through fresh and inspiring retail formats. RIOT’s product range includes funky denims, comfortable bottoms, cool jackets, stylish shirts for men or skirts, dresses, cardigans or tunics for women, along with fashionable accessories like belts, bags and flipflops. Our Company sells through departmental/multiproduct stores, regional large-format stores and other Multi Brand Outlets. Our Company also sells through various online platforms.

Key Strength



The Company focuses on consistent and standardized quality and has obtained certifications which include ISO 9001:2000, GOTS and OEKO TEX S-100.

Machinery and Equipment

Our Company has machinery capable of producing Knitted Hosiery Fabrics and readymade garments. We produce garments according to customer specifications. We stock different counts of yarn and we have the ability to process multiple deliveries daily, offer real-time information on the quantity of fabric produced as well as the number of pieces manufactured / delivered. We use latest technology and machinery procured from major suppliers/distributors in India.

We have latest machinery like JUKI machinery for stitching, Over Lock Machine - light duty (Yamato), Flat Lock Machine - regular (FDM), Steam Iron Table (Ngaishing), End Cutting Machine (Eastman), etc. These modern machineries also help us in maintaining high quality standards. The latest technology enables radical design and innovation in creating new looks and new trends.

Marketing and Distribution

Our marketing personnel meet the customers and understand their requirements. Once the price is agreeable, the fabric and the design that is required are thereafter sent to the customers who approve the same and place orders with us on a bulk basis. Our Promoters have over three-decade experience in the textile and apparel industry and this enables us in understanding the needs of our customers in a better manner. Going forward, our plan is to penetrate the retail market through e-commerce/online platform instead of selling through own or franchise outlets. The marketing strategy accordingly is redesigned to suit the latest trends in the marketing methods.

Major Customers

Major customers of our Company during the financial year 2021-22, and the financial year 2020-21::

FY 2021-22 (Standalone Audited):

Sl. No.	Name of the Customer	Amount (in ₹ Lakhs)	%age of Total Sales
1.	Polo Queen Industrial and Fintech Limited	4,021.62	40.87
2.	Myntra Jabong India Private Limited	3,091.44	31.41
3.	Intime Knits Private Limited *	656.23	6.67
4.	G. Vijay & Sons	143.13	1.45
5.	R.R. Enterprises	131.20	1.33

* Of the above, Intime Knits Private Limited is our group company.

FY 2020-21 (Standalone Audited):

Sl. No.	Name of the Customer	Amount (in ₹ Lakhs)	%age of Total Sales
1.	Polo Queen Industrial and Fintech Limited	2,110.26	41.74
2.	Myntra Jabong India Private Limited	1,517.48	30.01
3.	Intime Knits Private Limited *	144.05	2.85
4.	Sporta Technologies Private Limited	130.13	2.57
5.	G. Vijay & Sons	125.59	2.48

* Of the above, Intime Knits Private Limited is our group company.

Business Strategy

India has a natural advantage in textile sector due to cotton cultivation and traditional strength in design & development. Therefore, many textile units in the country have a complete set up from spinning to the last garment manufacturing under one roof. The Company also wanted to take advantage of this natural strength which comes because the location of the unit. The Company set up a complete garment unit with certification from all globally known reputed certifying agencies. It enhanced the production facilities at process house, upgraded the same as well as introduced new product range. The company established itself as a quality manufacturer of hosiery fabrics and many exporters started sourcing from the company only because of quality parameters. The Company has started Retail business and set up outlets in different formats at different locations. The Company is now on a growth mode and intends to capitalize the opportunities available for the textile sector. Further the company has started selling some specialised garments by using the licentiate rights from reputed clubs and sports events. One such venture undertaken by the company is with FIFA- World Cup 2014 (Brazil). Encouraged by the response the company has now executed agreements with other reputed international clubs like Manchester City FC, Real Madrid FC, and FC Barcelona. Further the Company has also tied up through Licentiate arrangement with NBA Properties USA (National Basket Ball Association) & PSG Paris. Considering the overall response, the Company has not renewed the agreement with Real Madrid. The company is now poised to take giant leap in this segment of business. Even as per government sources, textiles will be

one of the key sector to watch as it is a great employment generator as well as foreign exchange earner for the country.

The Company has also entered into a separate Marketing arrangement on Co-ownership basis with celebrity cricketer Mr. Yuvraj Singh. In addition, the Company has also incorporated two new subsidiaries in the year 2015 to promote certain premium brands as well as to provide focused attention on sports segments. The two subsidiaries are Suditi Design Studio Limited and Suditi Sports Apparel Limited. Suditi Design Studio Limited has already launched its brand in the name of "INDIAN INK". Apart from this, our Company has also set up a Joint Venture with celebrity actor Ms. Anushka Sharma to promote certain premium lady's western-outfits. The joint venture is between Project Anushka Sharma Lifestyles Private Limited (PAS), a Company promoted by the actor & her family members and our Company on a 50:50 basis.

Medium term and long-term strategy:

The impact of the COVID 19 pandemic was there throughout the year and because of the severe second wave it is still continuing to disrupt the economy of the country. Because of this the company has rationalized its workforce as a matter of medium strategy to ensure the use of available workforce in the more productive way. The company had to downsize the operations to maintain the balance between margin level and the utilization of capacity level. The overhead expenses and employee strength are maintained at the optimum levels. This has helped the company to survive the crisis period in the last year without losing its market share. The production, procurement plans and inventory levels are monitored and are calibrated to avoid any accumulation of inventory or uneconomical discounts in the sales. The focus is now mainly on Retail business to liquidate the inventory at the best possible rates. The company in view of its limited financial strength and size, as a part of medium strategy decided not to make any investment in terms of expenditure on setting up own retail chains or brand building through advertisement or other mode of sales promotions. The emphasis will be mainly towards direct sales to customer instead of "sale or return" method. As a long-term strategy, the company will be focusing more on garment manufacturing in volume and selling them directly to reputed E-commerce customers. Further considering the pandemic situation, the company will be focusing more on garment and fabric manufacturing activities. No new licenses will be sourced as the subsidiary company is focusing totally on these business models. The long-term strategy of the company is to become a prominent manufacturer and seller of garments and apparels of wide ranges for customers as well as subsidiary company. The company would be dedicating its efforts towards development of more product ranges for its customers which will make the company a reputed and reliable player in the market for design and development of garments and other dress materials.

Utilities:

Power

Our manufacturing units receive its power supply from Maharashtra State Electricity Distribution Company Limited, a Maharashtra state owned enterprise (formerly it was a state electricity Board of Maharashtra state government). Our Company has obtained a sanctioned load of 800 KW under urban cluster and contract demand is 535 KW. Our bill demand moves in the range of 415 to 470 KW. In addition to this, our Company has installed Diesel Generator Set of 280 KVA to supplement the requirements whenever there is power shortage or power cut.

Water

Our Company has obtained water connection from Maharashtra Industrial Development Corporation (MIDC) of 100 mm Dia for a daily quantity supply of 700 M3 as sanctioned by MIDC vide their letter ref. no. PO/ISC/IIC/C-253/254/363/of 94 dt. 18.01.1994. Apart from this our Company also avails any additional supply through tankers etc., as and when the need arises.

Waste Management

Our Company is connected to the MIDC Common Effluent Treatment System set up by the Thane Belapur Industrial Association. The effluent is given the primary treatment at the plant and discharged (all the wet/liquid) through a separate pipe line to the Common Effluent Treatment Plant (CETP). In case of dry waste or sledge, the same is separately bagged and sent to the CETP for treatment. All non-hazardous discharges are discharged through MIDC sewerage system.

Existing Installed Capacity and Capacity Utilization

Division	Particulars	Unit	2021-22	2020-21	2019-20	2018-19
Garment Division	Annual Installed Capacity	Pieces per annum	12,00,000	12,00,000	12,00,000	12,00,000
	Utilized Production	Pieces per annum	9,28,997	6,14,780	5,71,994	6,77,291
	Utilized Capacity *	%	77.42	51.23	47.67	56.44
Dyeing Division	Annual Installed Capacity	MT	4,050	4,050	4,050	4,050
	Utilized Production	MT	2109.82	1,357.55	2,852.37	3,026.86
	Utilized Capacity *	%	46.89	33.52	70.43	74.74

* Capacity and Production is based on standard product size weight and GSM specification. However, the actual specification like weight, GSM may vary from product to product depending upon market trends. Hence, percentage cannot be considered as a yard stick to measure the actual utilization.

The facility at Vapi is operational now with an Installed capacity of 18 lakh pieces per annum

Corporate Social Responsibility

Our Company has constituted a separate committee in the year August, 2019 to formulate the CSR policy and ensure the compliance of the same as per the provisions of the Companies Act, 2013. The Committee consists of 3 members.

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company is committed to identifying and supporting programs aimed at: a) Developing and advancing the community and the society particularly, those at the bottom of the pyramid who are unequally endowed/enabled, and b) Reducing the negative impact of its operations on the environment This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities within the purview of Schedule VII of the Companies Act, 2013 and CSR provisions as well as formulation of the annual action plan.

The CSR policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

As per the audited accounts, our Company is required to have spent an amount of ₹ 7.20 lakhs during the year 2020-21; however, our Company has spent a sum of ₹ 9.75 lakhs in the month of March 2021. Apart from this, our Company needs to spend an amount of ₹ 9.51 lakhs pertaining to the profits computed based on the financial results for financial year 2018-19. However, in view of the prevailing circumstances, our Company has not made the expenditure towards the same.

The amount was spent on the project related to Poverty and hunger eradication, self-employment, health care etc. The implementing agency through the activity was channelized is Omkar Andh-Apang Samajik Sanstha.

Property

Sl. No.	Location	Period of lease	Lease Rent	Area	Owned/Leased	Name of Sellers/Lessee	Purpose
1	Navi Mumbai	95 years	Nil	3175 Sq Mtrs	Lease hold	MIDC	Industrial Purposes
2	Godown No. E-06, Gala No.101, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mrs. Yadav Chandrabhaga	Warehouse
3	Godown No. E-06, Gala No.102, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mr. Tiwari Sushil Kaushal	Warehouse
4	Godown No. E-06, Gala No.103, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mr. Tiwari Nandkishor S	Warehouse
5	Godown No. E-06, Gala No.104, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mrs. Pawar Alka	Warehouse
6	Godown No. E-06, Gala No.105, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mrs. Gaikwad Kamal Shivaji	Warehouse
7	Godown No. E-06, Gala No.106, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mr. Khandekar Gangaram Babu	Warehouse
8	Godown No. E-06, Gala No.107, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mrs. Bhagudia Naresh Jeevanji	Warehouse

Sl. No.	Location	Period of lease	Lease Rent	Area	Owned/Leased	Name of Sellers/Lessee	Purpose
9	Godown No. E-06, Gala No.108, Floor No.1, Shree Arihant Compound, Reti Bunder Road, Kalher, Bhiwandi, Thane -421302.	15/05/2019 to 14/05/2024 (60 months)	₹20710/- p.m. for first 12 months ₹21745/- p.m. for next 12 months ₹22830/- p.m. for next 12 months ₹23970/- p.m. for next 12 months ₹25170/- p.m. for next 12 months	2588.62 Square Feet	Leave and License basis	Mr. Fernandes John	Warehouse
10	Block No.5091 (Old No.846/25), Vapi, Valsad	5 yrs	₹211000/- for 3 years & ₹232000/- for next 2 years	711.22 Sq Mtrs	Lease hold	Mr. Vijay Lal Singh Yadav	Industrial Purposes

Insurance

We have obtained the following insurance policies to insure our building, furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, godown, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap.

Sl. No.	Policy Name	Sum Assured (in ₹)	Premium including GST (in ₹)	Policy No.	Validity	Insured with
1.	Suditi Stocks at Bhiwandi	8,00,00,000	1,77,472	111800/11/21/43/0000/0043	15.10.2022	The New India Assurance Company Limited
2.	Suditi Floater Stocks	14,00,00,000	3,41,634	111800/11/21/43/0000/0044	15.10.2022	The New India Assurance Company Limited
3.	Building C-253/254, C-3-B, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai for production of knitting, brushing, shearing and peaching	5,00,00,000	5,09,760	11180011224300000003	07.04.2023	The New India Assurance Company Limited
	Plant & Machinery at C-3-B, C-253 & C-254	18,00,00,000				
	Furniture, Fixture & Fittings	1,90,00,000				
	Other contents	10,00,000				
4.	Tata Truck MH-43-BG-7446	6,20,000	19,932	110522223340036139	30.03.2023	Reliance General Insurance Company Limited
5.	Skoda Rapid MH-43-AW-2432	4,95,800	20,455		17.06.2023	Reliance General Insurance Company Limited
6.	Tata Ace MH-43-BP-0390	3,70,267	18,822	900248124	24.11.2022	Edelweiss General Insurance Company Limited
7.	Boiler	65,00,000	10,554	111800/44/21/52/0000/00002	10.12.2022	New India Assurance Co. Ltd.

INTELLECTUAL PROPERTY RIGHTS

Trademark:

Our current name is not registered as a trade name or trademark by our Company under the provisions of the Trademarks Act, 1999.

Manpower

Human Resource is one of the important support functions and forms another key element of the corporate backbone. As of the date of this Letter of Offer, our Company has 132 permanent employees across different departments. In addition to this, our Company also employs persons on contract basis and consequently the strength varies from time to time.

The broad break-up of the Employees across different units is as under:

i.	Garment Division	:	65
ii.	Vapi Garment Unit	:	22
iii.	Dyeing Division	:	45
	Total		<u>132</u>

Competition

The industry in which our Company operates is highly competitive. The organized players in the industry compete with each other by providing high quality products with new and innovative designer wear.

Number of Shareholders

As on June 30, 2022, there are 7,065 shareholders in our Company.

Subsidiaries

The Company has two subsidiary companies and one Joint Venture relationship. The following table indicates the details and the shareholding in the respective companies, as on date:

Sl. No.	Name of the Company	Relationship	%age shareholding
1	Suditi Sports Apparel Limited	Subsidiary company	60%
2	Suditi Design Studio Limited	Wholly-owned Subsidiary company	100%
3	SAA & Suditi Retail Private Limited	Joint Venture company	50%

i. Suditi Sports Apparel Limited

Suditi Sports Apparel Limited (SSAL) is a subsidiary of our Company incorporated on March 18, 2015 with the Registrar of Companies, Mumbai carrying the CIN U18109MH2015PLC262790. SSAL has its registered office at C-3/B, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705. SSAL is in the business of designing, manufacturing and marketing of licensed apparel. SSAL works with numerous sports and entertainment IPs to procure their official license and sell their merchandise in India.

SSAL has commenced their business activities in the Financial Year 2020-21 and is expected to pick up sales in the following years barring any further adverse business impact on account of the

Covid 19 pandemic crisis. During the Financial Year 2021-22, SSAL has posted a turnover of ₹753.03 lakhs with a profit after tax of ₹24.67 lakhs (In FY 2020-21, SSAL posted a turnover of ₹61.85 lakhs with a loss of ₹ 19.30 lakhs). SSAL has executed many licentiate agreements with some reputed sports clubs and entities with a view to expand the production and sales of apparels and garments of various designs and styles.

The Company uses the online platform as the main source for sales operations and deals in the exclusively earmarked garment and apparel related to sports and other sports-related activities.

Financial Information

(in ₹ lakhs)

Particulars	3-month period (Unaudited; Limited Reviewed)	Financial Year (Audited)		
	June 30, 2022	2021-22	2020-21	2019-20
Equity Share Capital (<i>fully paid-up</i>)	200.00	200.00	5.00	5.00
Net worth	189.30	191.33	(28.34)	(9.04)
Revenue from Operations	386.12	753.03	61.85	-
Profit after Tax	(2.02)	24.67	(19.30)	(10.06)
Earnings per Share (<i>in ₹</i>)	(0.10)	1.23	(38.61)	(20.11)
Net Asset Value (<i>in ₹</i>)	9.46	9.57	(56.69)	(18.08)
Face Value	10.00	10.00	10.00	10.00

ii. Suditi Design Studio Limited

Suditi Design Studio Limited (SDSL) is a wholly-owned subsidiary of our Company incorporated on March 23, 2015 with the Registrar of Companies, Mumbai carrying the CIN U18204MH2015PLC262897. SDSL has its registered office at C-3/B, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705. Although SDSL commenced business operations in 2015, the company's net worth eroded substantially due to the loss in the Retail business activities. During the Financial Year 2021-22, SDSL has posted a turnover of ₹0.02 lakhs with a loss of ₹110.58 lakhs (In FY 2020-21, SDSL posted a turnover of ₹ 26.86 lakhs with a loss of ₹218.12 lakhs). The Management, in view of the prevailing pandemic situation across the country and the consequent slump prevailing in the retail sector due to the economic slowdown, does not consider the loss incurred by SDSL as a yardstick in order to measure its business strength and capabilities on account of the following major reasons:

- a) Being a new entrant in the retail sector, SDSL needs at least 3-4 years to gain and stabilize its position in the market
- b) In spite of losses in the Retail business, SDSL has been successful in gaining a foothold and establishing its brand in the market for its products.
- c) Our Company (Suditi Industries Limited) are extending support in all spheres of SDSL's activities besides financial and marketing support.

Financial Information*(in ₹ lakhs)*

Particulars	3-month period (Unaudited; Limited Reviewed)	Financial Year (Audited)		
	June 30, 2022	2021-22	2020-21	2019-20
Equity Share Capital <i>(fully paid-up)</i>	87.00	87.00	87.00	87.00
Net worth	(499.93)	(499.58)	(389.00)	(170.89)
Revenue from Operations	0.00	0.02	26.86	327.75
Profit after Tax	(0.34)	(110.58)	(218.12)	(156.75)
Earnings per Share <i>(in ₹)</i>	(0.04)	(12.71)	(25.07)	(18.02)
Net Asset Value <i>(in ₹)</i>	(57.46)	(57.42)	(44.71)	(19.64)
Face Value	10.00	10.00	10.00	10.00

iii. SAA & Suditi Retail Private Limited

SAA & Suditi Retail Private Limited (SAASRPL) was incorporated on September 19, 2017 with the Registrar of Companies, Mumbai carrying the CIN U18203MH2017PLC299895. SAASRPL has its registered office at C-3/B, 1st Floor, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705. The company is a Joint Venture into manufacturing and retail sales of fashion garments under brand name “NUSH”. The Company is a joint venture arrangement between our Company and PAS Lifestyles Private Limited (a company promoted by celebrity actor Ms. Anushka Sharma and her family). Incorporated in the year 2017 has commenced its commercial business activities in the same year.

During the Financial Year 2021-22, SAASRPL posted a turnover of ₹51.27 lakhs with a loss of ₹518.85 lakhs (During the Financial Year 2020-21, SAASRPL posted a turnover of ₹49.59 lakhs with a loss of ₹ 528.54 lakhs). The company incurred significant losses due to sluggish market conditions in the country. Since it is backed by the joint venture partner promoted by the celebrity actor Ms. Anushka Sharma and Suditi Industries Ltd, the company could establish its name in the market which otherwise generally takes a good couple of years to establish and generate visible profits. The Management does not consider the loss incurred by SAASRPL as a yardstick in order to measure the its business strength and capabilities because of Covid 19 pandemic since the beginning of 2020. The prospects of the company can be assessed only based on the performance once the post-COVID full normalcy is gained.

In view of the old inventory lying for more than 2 years, the management has decided to write down the inventory to account for the depletion in their value. Accordingly, the company has made necessary provision amounting to ₹ 507.25 lakhs.

Financial Information*(in ₹ lakhs)*

Particulars	3-month period (Unaudited; Limited Reviewed)	Financial Year (Audited)		
	June 30, 2022	2021-22	2020-21	2019-20
Equity Share Capital <i>(fully paid-up)</i>	10.00	10.00	10.00	10.00

Net worth	(1134.77)	(1134.55)	(615.70)	(88.16)
Revenue from Operations	8.96	51.27	49.59	247.47
Profit after Tax	(0.22)	(518.85)	(528.54)	(70.66)
Earnings per Share (<i>in ₹</i>)	(0.22)	(518.85)	(527.54)	(73.14)
Net Asset Value (<i>in ₹</i>)	(1134.77)	(1134.55)	(615.70)	(88.16)
Face Value	10.00	10.00	10.00	10.00

Shareholders Agreement

Our Company has no Shareholder's agreement.

Strategic Partner / Financial Partner

Our Company has no strategic partner or financial partner.

OUR MANAGEMENT

BOARD OF DIRECTORS

As per our Articles of Association, our Company is required to have not less than 3 (three) and not more than 14 (fourteen) Directors on our Board.

As on the date of this Letter of Offer, our Company has four (4) Directors, out of which one (1) is a Non-Executive Chairman, one (1) is an Executive (Whole Time) Director and two (2) are Independent Directors of whom one is a woman Director.

The following table sets forth the details of the Board of Directors as on the date of this Letter of Offer:

Sl. No.	Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
1.	<p>Pawan Kishorilal Agarwal</p> <p><i>DIN:</i> 00808731</p> <p><i>Date of Birth:</i> February 19, 1965</p> <p><i>Designation:</i> Chairman</p> <p><i>Qualification:</i> B. Com</p> <p><i>Address:</i> "Benhur", 18th Floor 32, N. D. Road Mumbai – 400006</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> 5 years (up to March 31, 2023)</p> <p><i>Nationality:</i> Indian</p>	57	<ul style="list-style-type: none"> i. Intime Knits Private Limited ii. SAA & Suditi Retail Private Limited iii. Suditi Design Studio Limited iv. Black Gold Leasing Private Limited v. Lehar Investrade Private Limited vi. R Piyarelall Private Limited vii. Suditi Sports Apparel Limited
2.	<p>Rajagopal Raja Chinraj</p> <p><i>DIN:</i> 00158832</p> <p><i>Date of Birth:</i> March 25, 1950</p> <p><i>Designation:</i> Executive Director & CEO</p> <p><i>Qualification:</i> B. Tech (Textiles) & PG Diploma in Wet processing</p>	72	<ul style="list-style-type: none"> i. Chendur Dress Manufacturers Private Limited ii. VE Laxmi Exim LLP

	<p><i>Address:</i> NI 6, Building 9 Flat 1, Sector 9 Nerul, Navi Mumbai - 400706</p> <p><i>Occupation:</i> Service</p> <p><i>Term:</i> 5 years (From June 1, 2018 to May 31, 2023)</p> <p><i>Nationality:</i> Indian</p>		
3.	<p>Vivek Gangwal</p> <p><i>DIN:</i> 01079807</p> <p><i>Date of Birth:</i> December 17, 1970</p> <p><i>Designation:</i> Independent Director</p> <p><i>Qualification:</i> Chartered Accountant</p> <p><i>Address:</i>302, Marathon Heights Pandurang Budhwar Marg Near Deepak Talkies Worli, Mumbai - 400018</p> <p><i>Occupation:</i> Chartered Accountant</p> <p><i>Term:</i> 5 years (From April 1, 2019 to March 31, 2024)</p> <p><i>Nationality:</i> Indian</p>	51	<p>i. Shree Swami Leela Developers Private Limited</p> <p>ii. Soba Infosec Private Limited</p>
4.	<p>Sanjula Sanghai</p> <p><i>DIN:</i> 00049344</p> <p><i>Date of Birth:</i> June 17, 1967</p> <p><i>Designation:</i> Independent Director</p> <p><i>Qualification:</i> Graduate</p> <p><i>Address:</i> Diamond Plaza Building, 6th Floor Dr. D.B. Marg Mumbai - 400004</p> <p><i>Occupation:</i> Director in companies</p> <p><i>Term:</i> 5 years</p>	55	<p>i. Provincial Housing and Property Limited</p> <p>ii. Bow Balaleshwar Minings Private Limited</p> <p>iii. Balaji Prints Limited</p> <p>iv. Citer Holdings Private Limited</p> <p>v. White Rose Finvest Private Limited</p> <p>vi. Cipolin Investments Private Limited</p> <p>vii. Fresh India Organics Import Export LLP</p> <p>viii. Polki Jewels LLP</p>

	(From September 26, 2018 to March 31, 2023)		
	<i>Nationality:</i> Indian		

Brief Profile of Our Board of Directors

Mr. Pawan Kishorilal Agarwal, aged 57 years, s/o Mr. Kishorilal Agarwal is the Chairman of the Company and holds a Bachelor degree in Commerce from the University of Mumbai. He has about three decades experience and is more particularly well experienced in the field of manufacture of garments, marketing and specializes in the promotion of garments and made ups manufactured by Suditi Industries Ltd through active participation in the world textile trade fairs and exhibitions to promote the products as well as to draw the attention of the top-class buyers of the world towards the Company.

Mr. Rajagopal Raja Chinraj, aged 72 years, s/o Mr. K.V. Rajgopal Chinraj is a Whole-time Director (designated as Executive Director) and Chief Executive Officer of the Company. He holds a B. Tech (Textiles) degree with a Post Graduate Diploma in Wet Processing from Mumbai. He has wide experience in the textile industry spanning over 45 years. He started his career as a Senior Scientist in SASMIRA working in various capacities such as Quality and Research Officer, Processing Manager, Deputy General Manager, Project Manager, Production Manager before joining our Company as Works Manager in 1993. He later went on to become the President of our Company. Besides, he also has expertise in the technical and commercial; aspects of product development and research. Mr. Chinraj has earlier been in organizations such as King Carpets in Lagos, Nigeria; and Barnsley, in Yorkshire, United Kingdom.

Mr. Vivek Gangwal, aged 51 years, s/o Mr. Virendra Gangwal is an Independent Director of our Company. He holds a Bachelor degree in Commerce and is a qualified Chartered Accountant. He has knowledge and experience in the areas of portfolio management, equity research and aspects of primary and secondary market operations.

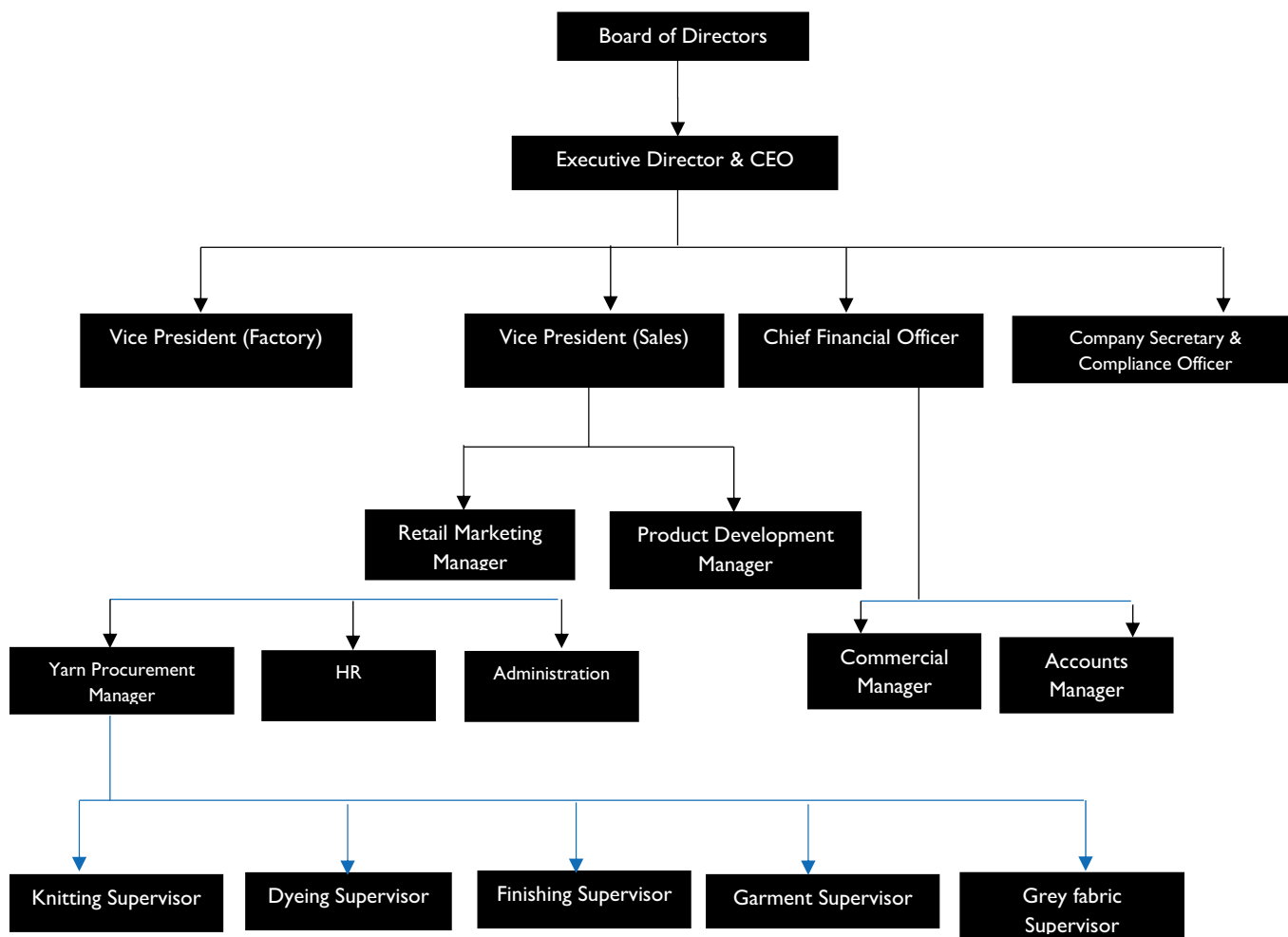
Ms. Sanjula Sanghai, aged 55 years, d/o Mr. Maheshchandra Pannalal Jain, is an Independent Director of our Company. She is a graduate and holds wide experience in the areas of administration and policy management of business and marketing with experience in the textile industry.

Confirmations

1. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/her directorship in such company.
2. Further, none of the Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past ten years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.

Management Organization Structure

Set forth is the organization structure of our Company:



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Compensation Committee
- e) Risk Management Committee, and
- f) Corporate Social Responsibility Committee

Details of each of these Committees are set forth in the table below:

a. Audit Committee

Our Audit Committee was originally constituted on 31st January, 2001 and was last reconstituted with the following members forming part of the Committee:

Sl. No.	Name of Member	Status	Designation
1.	Vivek Gangwal	Independent Director	Chairman
2.	Sanjula Sanghai	Independent Director	Member
3.	Rajagopal Raja Chinraj	Executive Director	Member

The terms of reference of the Audit Committee cover the matters specified in respect of such committee under Regulation 18 (1) (c) of the Listing Regulations, as amended from time to time and Section 177 of the Companies Act, 2013. The role of the Audit Committee and the information to be reviewed includes the matters specified under part C of Schedule II to Regulation 18 (3) of the Listing Regulations as well as section 177 of the Companies Act 2013. Audit Committee meetings are regularly attended by Statutory Auditor and Internal Auditor, apart from Senior Executives from Finance, Operational functions of the Company. The Company Secretary acts as the Secretary of the Audit Committee.

Brief Description and terms of reference of the Audit Committee are as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending to the Board, the appointment, re-appointment, and if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- 3) Approval of payments to the statutory auditors for any other services rendered by them;
- 4) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - b) Significant changes, if any, in accounting policies and practices and reasons for the same;

- c) Major accounting entries involving estimates based on the exercise of judgments by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; g) Qualifications in the draft Audit report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - 5A) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.). The statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - 6) Reviewing, with the management, performance of Statutory and Internal Auditors, and adequacy of the internal control systems;
 - 7) Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit;
 - 8) Discussion with Internal Auditors, Cost Auditors etc., any significant findings and follow up thereon;
 - 9) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - 10) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - 11) To look into the reasons for any substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - 12) To review the functioning of the Whistle Blower mechanism, in case the same is existing;
 - 13) Approval of appointment of CFO (i.e., Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate;
 - 14) Undertake any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also analyses and reviews the following information:

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

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

The Company Secretary acts as the Secretary of the Audit Committee.

b. Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was originally constituted on 30th April, 2002 and was last reconstituted with the following members as part of the Committee:

Sl. No.	Name of Member	Status	Designation
1.	Vivek Gangwal	Independent Director	Chairman
2.	Sanjula Sanghai	Independent Director	Member
3.	Pawan Kishorilal Agarwal	Non-Executive Chairman	Member

The compensation policy followed in the company is generally reviewed on a periodical interval. Our Company strives hard to ensure that the compensation levels of the Company are in line with industry standards followed in the area. The policy on appointment and remuneration including criteria for determining qualifications, positive attributes as well as independence of director and all other related matters including various other policies adopted by the Board are also available on the web site of the company. The Committee also reviews the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board. The compensation policy of our Company also includes performance-oriented incentives for various staff and executives in the organization. Whole-time Directors' compensation is recommended by the Committee in accordance with the various provisions of the Companies Act and Rules & regulations. Non-Executive Directors have not drawn any remuneration from the Company except sitting fees for the Board Meetings attended by them.

The Committee has the following powers:

1. It shall have the authority to call for details of remuneration and other perks given to managerial personnel particularly to the Managing/Whole-time Directors and Executive Directors.
2. It shall authority to review the remuneration scale and revise the same as per the requirements within the framework of law prevailing as on that date.
3. It shall have power to change/alter to increase or decrease the remuneration scales and review the perquisites at the appropriate time according to the need of the Company or as per the requirements to any amendments to the status of law applicable at that time.
4. It shall advise the Board on various legal matters relating to the managerial remuneration which inter-alia includes Managing/Whole-time/Executive Directors remuneration and perquisites. Board members sitting fees, committee meeting fees, and any other type of incentives. It shall carry out such other exercises in respect of fixing of remuneration of other Senior Managerial personnel as and when the same is assigned to them by Board. Further, the Committee shall carry out all such acts and duties as may be assigned to them by the Board from time to time.

c. Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted by our Board of Directors with the following members:

Sl. No.	Name of Member	Status	Designation
1.	Vivek Gangwal	Independent Director	Chairman
2.	Sanjula Sanghai	Independent Director	Member
3.	Pawan Kishorilal Agarwal	Non-Executive Chairman	Member

The terms of reference cover the matters specified under Part D of Schedule II to Regulation 20(4) of Listing Regulations as well as under section 178 of the Companies Act 2013. The Committee is entrusted with the task of approval of transfers, transmission, splitting, and consolidation of shares as well as to form separate sub committees as per the need of the circumstances to focus on any specific matters and report to the committee. The Committee also closely monitors the redress of Shareholders grievances relating to transfer of shares, non-receipt of Annual Report, dividend including initiatives to reduce the quantum of unclaimed dividend etc. The committee also reviews the process, standard operating procedures, and initiatives taken by the Company relating to investor services including the measures taken for effective exercise of voting rights by shareholders. The committee ensures that all transfer/transmission/ split/ consolidation etc. are promptly attended and completed within the stipulated time period. The committee also reviewed all the amendments brought under Listing Regulations as well as under Companies Act in respect of investor's related matters and procedures.

The Committee also reviews the performance of Registrar & Transfer Agents periodically, which include the adherence of service standards adopted by the company in respect of services extended by them, their monthly charges, fees for undertaking the services as per the contracts and review of the contract in line with the volume of work and responsibility. The Committee also reviews the grievances report submitted by the Company's Registrar / Transfer Agents, and based on the report, there are no complaints pending against the Company.

d. Compensation Committee

Our Compensation Committee was last reconstituted by our Board of Directors with the following members:

Sl. No.	Name of Member	Status	Designation
1.	Vivek Gangwal	Independent Director	Chairman
2.	Sanjula Sanghai	Independent Director	Member
3.	Pawan Kishorilal Agarwal	Non-Executive Chairman	Member

The Board constituted a Compensation Committee to administer the SUDITI Employees Stock Option Plan 2011 (SUDITI ESOP PLAN 2011). Shri Vivek Gangwal is the Chairman of the committee and other two members are Sanjula Sanghai and Pawan Kishorilal Agarwal. The committee manages the entire aspects of the SUDITI ESOP PLAN 2011 and advises the Board from time to time on the various issues related to the SUDITI ESOP PLAN 2011. The board accepts all the mandatory recommendations of the committees.

e. Risk Management Committee

Our Risk Management Committee was constituted with the following members forming a part of the said Committee:

Sl. No.	Name of Member	Status	Designation
1.	Pawan Kishorilal Agarwal	Non-Executive Chairman	Chairman
2.	Rajagopal Raja Chinraj	Executive Director	Member
3.	Vivek Gangwal	Independent Director	Member

Risk Management Committee: In order to have an organized approach towards constant Business Risk Evaluation and Management systems so as to regularly monitor the risk elements in the business, our Company has a modest risk management policy with a framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

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

f. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was last constituted with the following members forming a part of the said Committee:

Sl. No.	Name of Member	Status	Designation
1.	Pawan Kishorilal Agarwal	Non-Executive Chairman	Chairman
2.	Rajagopal Raja Chinraj	Executive Director	Member
3.	Sanjula Sanghai	Independent Director	Member

The Board has constituted a Corporate Social Responsibility Committee (CSR Committee) in accordance with the requirements under the Companies Act 2013 and its rules and amendments. The committee consists of three members with Shri. Pawan Agarwal as Chairman of the committee. The other two members are Rajagopal Raja Chinraj and Sanjula Sanghai. The committee is entrusted with the task of framing a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the company as specified in the Schedule VII of the Companies Act 2013. The company has come under the purview of Section 135 in view of the profits declared in the Audited Financial results for the year 2018-19. The committee has met once on 30th. March 2021 and considered and recommended the revised CSR policy to the Board for their approval. Further they also approved for the release of amount to be spend under the amended CSR act and rules.

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the Board, a CSR policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013;
2. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
3. To monitor the CSR policy of the Company from time to time. Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
4. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

f. Rights Issue Committee

Additionally, our Company has constituted Rights Issue Committee on January 6, 2022.

Key Managerial Personnel

In addition to our Whole Time Director (Executive Director) & Chief Executive Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Board of Directors*' at page 101, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Letter of Offer:

Name	Designation	Qualification	Experience (years)	Date of Commencement	Age (years)	Last Employment / Designation
Harsh Pawan Agarwal	Head – Design & Development	Graduate Diploma in Apparels Design	6	13.2.2019	30	Black Gold Leasing Pvt Ltd
Vikas Sharma	Chief Marketing & Business Development	Diploma in Manmade Textile Technology, Diploma in Sales & Marketing	30	7.5.2015	51	Delco Textiles
H. Gopalkrishnan	Company Secretary	AICWA, ACS	35	28.7.2004	64	Aarey Drugs & Pharmaceuticals Ltd
Arvind Singh	Merchandising Head	Bachelor's in Arts	18	18.3.2013	44	Fingerprints Fashion Pvt Ltd
Ravi S Patil	Head – Quality Control	PUC	33	16.11.2015	53	Premier International

H. Gopalkrishnan, aged 64 years, is the Company Secretary and Compliance Officer of our Company. He holds a Bachelor's degree in Commerce from Mumbai University and is a Member of the Institute of Company Secretaries of India. He is responsible for handling secretarial matters of our Company and was appointed with effect from June 27, 2004.

All our Key Managerial Personnel are permanent employees of the Company.

None of our Key Managerial Personnel are entitled to receive any termination or retirement benefits.

Relationship of Key Managerial Personnel with other Key Managerial Personnel

None of the key managerial personnel are related to each other.

OUR PROMOTERS

Our Promoters are Mr. Pawan Kishorilal Agarwal, Mrs. Shalini Pawan Agarwal and Mr. Rajendra Kishorilal Agarwal. As on date of this Letter of Offer, Mr. Pawan Kishorilal Agarwal holds, in aggregate, 1,13,87,255 Equity Shares, Mrs. Shalini Pawan Agarwal holds 2,09,600 Equity Shares and Mr. Rajendra Kishorilal Agarwal holds 26,221 Equity Shares constituting 64.87%, 1.19% and 0.15% respectively of our issued, subscribed and paid-up equity share capital.

Our Company confirms that the permanent account number, bank account number and passport number in case of our Individual Promoters shall be submitted to the Stock Exchange at the time of filing this Letter of Offer.

Our Promoters:

- **Pawan Kishorilal Agarwal**

For details of the educational qualifications, experience, other directorships, positions / posts held by our Mr. Pawan Kishorilal Agarwal, the Chairman and key Promoter, please see the chapter titled “*Our Management*” at page 99 of this Letter of Offer.

- **Shalini Pawan Agarwal**

Mrs. Shalini Pawan Agarwal is a BA from Avadh Arts College and is currently Director on the board of Lehar Investrade Private Limited, Intime Knits Private Limited and Black Gold Leasing Private Limited.

- **Rajendra Kishorilal Agarwal**

Mr. Rajendra Kishorilal Agarwal is a graduate in Textile Engineering from Veermata Jijabai Technological Institute and is currently Director on the board of Dinodia Textiles Industries Private Limited and Suditi Sports Apparel Limited.

Confirmation

1. None of our Promoters or members of our Promoter Group have been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are any currently pending against them.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or government authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or government authority.
4. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under the relevant accounting standards and as reported in the Restated Financial Information, see section titled "*Financial Information*" at page 189 of this Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, to consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

Dividends paid on Equity Shares:

The dividends declared by the Company on the Equity Shares in each of the Financial Years ending 2022, 2021 and 2020, as per our Restated Consolidated Audited Financial Statements is given below:

Particulars	For the financial year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Face Value of Equity Share Share (in ₹)	10	10	10
Amount of Dividend (in ₹)*	-	-	-
Dividend tax (in ₹)	-	-	-
Dividend per Equity Share (in ₹)	-	-	-
Dividend Rate (%) Refer Note	-	-	-

**Excluding dividend distribution tax*

Note: i. Dividend of Rs. 0.20/- per share declared by the Board of Directors for the financial year 2018-19 and approved by the Shareholders was paid in the financial year 2019-20. The total pay-out amounted to Rs. 11.78 lakhs and dividend tax paid was Rs. 2.42 lakhs.

ii. The promoters had waived off their entitlements on the Dividend and accordingly dividend was paid to public shareholders.

The amount paid as dividends in the past is not necessarily indicative of our dividend policy or dividend amount, if any, in the future and there is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in future. For details in relation to the risk involved, see "Risk Factor No. 21 – "Our ability to pay dividends in the future will depend on our future earnings, cash flows, working capital requirements, capital expenditures and financial condition. Investors of Rights Equity Shares are only entitled to dividend in proportion to the amount paid up and the voting rights shall also be proportional to such investor's share of the paid-up equity capital of our Company." on page 38 of this Letter of Offer.

SECTION VII – FINANCIAL INFORMATION

Sr. No.	Details	Page Number
1	Independent Auditor's Report on the Restated Consolidated Financial Statements	114
2	Restated Consolidated Audited Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020	120
3	Unaudited Limited Review Consolidated Financial Results for the three-month period ended June 30, 2022	202
4	Consolidated Accounting Ratios	207
5	Consolidated Statement of Capitalisation	223

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Independent Auditors' Examination Report on the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020 and Restated Consolidated Summary Statements of Profit and Loss (including Other Comprehensive Income), Restated Consolidated Statement of Changes in Equity and Restated Summary Cash Flows for the years ended March 31, 2022, 2021 and 2020, the Consolidated Summary Statement of Significant accounting policies and other explanatory information of Suditi Industries Limited (collectively, the "Restated Consolidated Summary Statements")

The Board of Directors,
Suditi Industries Limited
C-253/254, MIDC, TTC Industrial Area
Pawne Village, Turbhe,
Navi Mumbai, Thane – 400705

Dear Sirs,

1. We, Chaturvedi & Partners ("we" or "us") have examined the attached Restated Consolidated Summary Statements of Suditi Industries Limited (the "Company" or the "issuer"), Suditi Design Studio Limited & Suditi Sports Apparel Limited ("Subsidiaries") and SAA & Suditi Retail Private Limited ("Joint Venture") (the Company, its Subsidiaries and Joint Venture together referred to as the "Group" and the Subsidiary and Joint Venture entity together referred to as the "Components") as at March 31, 2022, 2021 and 2020 and for the years ended March 31, 2022, 2021 and 2020, annexed to this report and prepared by the Company for the purpose of inclusion in the Letter of Offer ("LOF"), in connection with its proposed Rights issue of Equity Shares of the Company of face value of ₹ 10/-each ("Proposed Rights issue"). The Restated Consolidated Summary Statements, which have been approved by the Rights Issue Committee (duly constituted by the Board of Directors, on August 30, 2022), have been prepared by the Company in accordance with the requirements of:
 - a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
 - c. The Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note")

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of Restated Consolidated Summary Statements, which are to be included in the LOF, is the responsibility of the Board of Directors of the Company, for the purpose set out in Paragraph 12 below. The Restated Consolidated Summary Statements have been prepared by the management of the Company on the basis of preparation stated in paragraph 3.1 of Annexure VI to the Restated Consolidated Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations and the Guidance Note. The Board of Directors of the Subsidiary and Joint Venture

entity are also responsible for identifying and ensuring that the Subsidiaries/ Joint Venture entities comply with the Act, ICDR Regulations and the Guidance Note, as may be applicable.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:
 - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated January 12, 2022, as amended by a subsequent addendum letter dated July 11, 2022, in connection with the proposed Rights Issue of Equity Shares of the Company;
 - b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
 - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the Rights Issue.

Restated Consolidated Summary Statements

4. The Restated Consolidated Summary Statements have been compiled by the management from the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2022, 2021 and 2020, which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), and have been approved by the Board of Directors at their meetings held on May 30, 2022, August 27, 2021 and September 11, 2020 respectively.
5. For the purpose of our examination, we have relied on Independent Auditor's Reports issued by us dated May 30, 2022, August 27, 2021 and September 11, 2020 on the consolidated financial statements of the Group as at and for the years ended March 31, 2022, 2021 and 2020, respectively, as referred in Paragraph 4 above.
6. As indicated in our audit reports referred in Paragraph 5 above, we did not audit the financial statements of 2 subsidiaries and the joint venture as listed in Annexure A, as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, whose share of total assets, total revenues, net cash inflows in the consolidated financial statements, for the relevant years is tabulated below, which have been audited by "Other Auditors", and whose reports have been furnished to us by the Company's management and our opinion on the historical consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries and the joint venture, was based solely on the reports of the other auditors. Our opinion on the audited consolidated financial statements, in so far as it relates to the amounts

and disclosures included in respect of the subsidiaries and joint venture, is based solely on the reports of such Other Auditors.

Particulars	For the year ended March 31, 2022 (₹ in crores)	For the year ended March 31, 2021 (₹ in crores)	For the year ended March 31, 2020 (₹ in crores)
Total Assets	13.58	8.29	9.13
Total Revenue	7.70	1.11	3.37
Net cash inflow / (outflow)	0.16	0.05	(0.04)

The Restated Consolidated Summary Financial Statements also include the Group's share of net loss of ₹ 5.19 crores for year ended March 31, 2022; net loss of ₹ 5.28 crores for the year ended March 31, 2021 & net loss of ₹ 0.73 crores for the year ended March 31, 2020 respectively for all years including other comprehensive income as considered in the Restated Consolidated Summary Financial Statements in respect of one joint venture, whose financial statements and other financial information has been audited by the other auditor and whose report has been furnished to us by the Management and our opinion in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the audit report of such other auditors.

Our audit opinions on the consolidated financial statements of the Group as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 were not qualified for the above matter. The Other Auditors as mentioned above, have examined the restated financial information of the subsidiaries and the joint venture entity included in these Restated Consolidated Summary Financial Statements and have confirmed that the restated financial information of the Components:

- (i) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and March 31, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the year ended March 31, 2022.
- (ii) do not contain any qualifications requiring adjustments; and
- (iii) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Based on our examination, in accordance with the ICDR Regulations and the Guidance Note, and according to the information and explanations given to us and also as per the reliance placed on the examination reports of Components submitted by the Other Auditors for the respective years, we report that:

- (i) Restated Consolidated Summary Statements have been prepared after incorporating adjustments and regroupings for the material amounts in the respective financial years to which they relate, as more fully described in Annexure V - "Statement of Material Restatement Adjustments and Regroupings" included in the Restated Consolidated Summary Statements.
- (ii) There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2022, 2021 and 2020.
- (iii) Emphasis of matter paragraphs included in the auditors' report on the Restated Consolidated Summary Financial Statements as at and for the years ended March 31, 2022, March 31, 2021 and

March 31, 2020, which does not require any corrective adjustment in the Restated Consolidated Summary Financial Statements, are as follows:

Emphasis of Matter—March, 2022

“We draw attention to Note 61 in the Consolidated financial statements, which states that for the last few years the subsidiary Company Suditi Design Studio Limited has incurred continuous losses; its net worth has been fully eroded and its current liabilities exceeded its current assets as at the Balance Sheet date. These events or conditions, along with other matters as set forth in the Note indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. However, as the Company has received an assurance of continued long-term support from the Parent Company basis which the financial statements of the Company have been prepared on a going concern basis.”

“We draw attention to Note 62 in the Consolidated financial statements, which states that for the last few years the joint venture Company SAA & Suditi Retail Private Limited has incurred continuous losses; its net worth has been fully eroded and its current liabilities exceeded its current assets as at the Balance Sheet date. These events or conditions, along with other matters as set forth in the Note indicate that a material uncertainty exists that may cast significant doubt on the company’s ability to continue as a going concern. However, as the Company has received an assurance of continued long-term support from Suditi Industries Limited and considering that this a temporary phase, it has prepared the financial statements on a going concern basis.”

Our opinion is not modified in respect of the above matters.

“We also draw attention to Note 66 & Note 71 to the Consolidated financial statements, which explains the uncertainties and managements’ assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.”

Our opinion is not modified in respect of this matter.

Emphasis of Matter - March 31, 2021

- “We draw attention to Note 71 to the Consolidated financial results, which explains the uncertainties and managements’ assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.”
- “We draw attention to Note No. 75 and 76 to the Consolidated financial results relating to the continuous losses suffered by both the subsidiary companies, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of these companies to continue as a going concern, a fact which has been reported by their auditors in their reports. However, basis management’s plan of action, the accounts have been prepared on a going concern basis.”

- “We also draw attention to Note No. 62 to the Restated Consolidated Financial Summary Statements relating to the share of heavy losses incurred by the joint venture company resulting in its net worth being fully eroded, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of the joint venture to continue as a going concern, a fact which has been reported by their auditors. However, based on management’s assessment, the accounts have been prepared on a going concern basis.”

Our opinion is not modified in respect of the above matters.

Emphasis of Matter – March 31, 2020

- “We draw your attention to Note 71 to the Consolidated financial results, which explains the uncertainties and managements’ assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.”
- “We draw attention to Note No. 76 and 77 to the Consolidated financial results relating to the continuous losses suffered by both the subsidiary companies, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of these companies to continue as a going concern, a fact which has been reported by their auditors in their reports. However, basis management’s plan of action, the accounts have been prepared on a going concern basis.”
- “We also draw attention to Note No. 78 to the Consolidated financial results relating to the share of heavy losses incurred by the joint venture company resulting in its net worth being fully eroded, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of the joint venture to continue as a going concern, a fact which has been reported by their auditors. However, based on management’s plan of action, the accounts have been prepared on a going concern basis.”

Our opinion is not modified in respect of the above matters.

- (iv) Restated Consolidated Summary Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2022. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Group as of any date or for any period subsequent to March 31, 2022.
9. The Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in Paragraph 4 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the management for inclusion in the LOF to be filed with Securities and Exchange Board of India and BSE Limited in connection with the Proposed Rights issue of the Company. Our report should not be used, referred to or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

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

Sd/-
(Siddharth Punamiya)
Partner
(Membership No.:148540)
ICAI UDIN: 22148540AQHZIB5011

Place: Mumbai
Date: 30th August, 2022

ANNEXURE A

Details of Subsidiaries and Joint Venture entity audited by other auditors

Name of the entity	Relationship	Name of audit firm	Period audited by other auditors
Suditi Design Studio Limited	Subsidiary	M/s. Chaturvedi & Co.	As at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020
Suditi Sports Apparel Limited	Subsidiary	M/s. Chaturvedi & Co.	As at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020
SAA & Suditi Retail Private Limited	Joint Venture	M/s. Chaturvedi & Co.	As at and for the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

Annexure I - Restated Consolidated Summary of Assets and Liabilities

	PARTICULARS	Notes	Amount (Rs. in Lakhs)		
			As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	ASSETS				
1	Non-current assets				
	a. Property, Plant and Equipment	11	761.61	772.00	885.08
	b. Capital work-in-progress		153.92	142.27	128.49
	c. Intangible assets	11	4.29	4.35	5.45
	d. Intangible assets under development		-	-	-
	e. Financial Assets				
	i. Investments				
	(a) Investments in Subsidiaries		-	-	-
	(b) Investments in Joint Ventures		-	-	-
	ii. Loans	12	27.92	27.92	27.92
	iii. Others financial assets	13	66.37	3.45	3.37
	f. Deferred tax assets (net)	14	6.58	9.97	13.94
	g. Other non-current assets	15	768.42	845.44	840.33
	Total non-current assets		1789.10	1805.38	1904.57
2	Current assets				
	a. Inventories	16	2644.13	3171.20	3377.23
	b. Financial Assets				
	i. Other investments	17	1.23	1.11	0.56
	ii. Trade receivables	18	3246.68	3350.10	4388.92
	iii. Cash and cash equivalents	19	53.12	38.34	69.46
	iv. Loans	12	2.90	5.34	1.62
	c. Current Tax Assets (Net)	20	113.83	76.64	68.42
	d. Other Current Assets	15	1154.84	983.55	1348.01
	Total current assets		7216.73	7626.27	9254.21
	Total assets		9005.83	9431.65	11158.78
	EQUITY AND LIABILITIES				
	Equity				
	a. Equity share capital	21	1755.41	1755.41	1755.41
	b. Other equity	22	(3718.44)	(1075.46)	1273.59
	Equity attributable to owners of the Company		(1963.03)	679.96	3029.00
	Non-Controlling Interest		77.87	(10.14)	(3.77)
	Total Equity		(1885.16)	669.82	3025.23
	LIABILITIES				
1	Non-current liabilities				
	a. Financial Liabilities				
	i. Borrowings	23	369.71	549.71	-
	b. Provisions	28	55.62	48.09	32.24
	c. Other non-current liabilities	24	161.81	161.81	162.85
	Total non-current liabilities		587.14	759.61	195.10
2	Current liabilities				
	a. Financial Liabilities				
	i. Borrowings	25	3799.22	3659.48	3820.91
	ii. Trade payables	26			
	Micro Enterprises & Small Enterprises		482.54	233.18	205.23
	Others		3059.17	2424.85	2599.67
	iii. Other financial liabilities	27	265.48	327.17	374.40
	b. Provisions	28	17.81	6.86	12.81
	c. Other current liabilities	29	2679.63	1350.68	925.43
	Total current liabilities		10303.85	8002.22	7938.45
	Total liabilities		10890.99	8761.84	8133.55
	Total Equity and Liabilities		9005.83	9431.65	11158.78

The accompanying notes 1 to 69 are an integral part of the Restated Consolidated Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors
Right Issue Committee

Siddharth P Punamiya
Partner
(Membership No.148540)
Mumbai, 30th August, 2022

Pawan Agarwal
Chairman
DIN: 00808731
Navi Mumbai, 30th August, 2022

Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

Suditi Industries Limited

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

	Particulars	Notes	Amount (Rs. in Lakhs)		
			For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	30	10328.32	5012.79	9487.85
II	Other Income	31	85.64	30.94	64.26
III	Total Income (I + II)		10413.96	5043.73	9552.10
IV	Expenses				
	Cost of materials consumed	32	6745.72	3646.00	6010.62
	Changes in stock of finished goods, work-in-progress and stock-in-trade				
		33	537.80	(57.10)	(395.38)
	Excise duty on sale of goods		-	-	-
	Employee benefits expense	34	707.89	387.26	712.59
	Finance costs	35	452.15	474.05	428.38
	Depreciation and amortisation expense	36	136.57	159.09	209.24
	Other Expenses	37	3950.35	2259.06	2764.61
	Total Expenses (IV)		12530.49	6868.37	9730.06
V	Profit/ (Loss) before exceptional items and tax (III - IV)		(2116.54)	(1824.64)	(177.96)
VI	Exceptional items		-	-	763.47
VII	Restated Profit/(Loss) before Share of Profit/(Loss) of Associates/ Joint Ventures and tax (V - VI)		(2116.54)	(1824.64)	(941.43)
VIII	Share of profit/(loss) in Joint Venture		(518.85)	(527.54)	(73.14)
IX	Restated Profit/(Loss) before tax (VII + VIII)		(2635.39)	(2352.18)	(1014.57)
X	Tax expenses				
	(1). Current tax		0.00	0.00	18.83
	(2). Deferred tax		2.10	3.78	(0.47)
			2.10	3.78	18.36
XI	Restated Profit/(Loss) for the period (IX - X)		(2637.49)	(2355.97)	(1032.92)
	Other comprehensive income	42			
	A: (i) Items that will not be reclassified to Profit or Loss		5.13	0.75	18.36
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(1.29)	(0.19)	(4.62)
	B: (i) Items that will be reclassified to Profit or Loss		-	-	-
	(ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-	-
XII	Total other comprehensive income [a+b]		3.84	0.56	13.74
XIII	Total comprehensive income for the period (XI + XII)		(2633.64)	(2355.41)	(1019.18)
XIV	Total comprehensive income for the period attributable to				
	Owners of the Parent		(2642.65)	(2349.04)	(1015.37)
	Non-controlling Interest		9.01	(6.37)	(3.81)
			(2633.64)	(2355.41)	(1019.18)
	Earnings per equity share (for continuing operations):				
	Computed on the basis of total restated profit/(loss) for the year				
	(1). Basic (in Rs.)		(15.00)	(13.42)	(5.81)
	(2). Diluted (in Rs.)		(15.00)	(13.42)	(5.81)

The accompanying notes 1 to 69 are an integral part of the Restated Consolidated Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors
Right Issue Committee

Siddharth P Punamiya
Partner
(Membership No.148540)
Mumbai, 30th August, 2022

Pawan Agarwal
Chairman
DIN: 00808731
Navi Mumbai, 30th August, 2022

Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

Annexure III - Restated Consolidated Summary Statement of Changes in Equity

a. Equity share capital

Amount (Rs. in Lakhs)

Particulars	Notes	Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022)	21	1,755.41	-	1,755.41	-	1,755.41

Particulars	Notes	Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
(1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2021)	21	1,755.41	-	1,755.41	-	1,755.41

b. Other Equity

Particulars	Notes	Reserves & Surplus			Items of Other Comprehensive income, that will not be reclassified to Statement of Profit & Loss	Amount
		Securities Premium	Share option outstanding account	Retained Earnings		(Rs. in Lakhs)
						Total
Balance at April 1, 2019		146.93	25.84	1737.60	3.69	1914.06
Profit/ (loss) for the year				(792.06)		(792.06)
Other comprehensive income for the year, net of income tax					13.74	13.74
Total comprehensive income for the year		-	-	(792.06)	13.74	(778.32)
Recognition of share-based payments		1.40	(6.57)			(5.16)
Issue of Equity Shares on conversion of FCD's issued to HT Media		393.75				393.75
Adjustment Provision to Retained Earnings				(14.60)		(14.60)
Adjustment of Profit/Loss in Subsidiary				(163.00)		(163.00)
Share of Profit in Joint Venture				(73.14)		(73.14)
Balance at March 31, 2020		542.08	19.27	694.81	17.43	1273.59
Profit/ (loss) for the year	22			(1591.01)		(1591.01)
Other comprehensive income for the year, net of income tax					0.56	0.56
Total comprehensive income for the year		-	-	(1591.01)	0.56	(1590.45)
Adjustment of Profit/Loss in Subsidiary				(231.05)		(231.05)
Share of Profit in Joint Venture				(527.54)		(527.54)
Balance at March 31, 2021		542.08	19.27	(1654.79)	17.98	(1075.46)
Profit for the year				(2033.05)		(2033.05)
Other comprehensive income for the year, net of income tax					3.84	3.84
Total comprehensive income for the year		-	-	(2033.05)	3.84	(2029.21)
Adjustment of Profit/Loss in Subsidiary				(94.93)		(94.93)
Share of Profit in Joint Venture				(518.85)		(518.85)
Balance at March 31, 2022		542.08	19.27	(4301.62)	21.83	(3718.44)

The accompanying notes 1 to 69 are an integral part of the Restated Consolidated Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors
Right Issue Committee

Siddharth P Punamiya
Partner
(Membership No.148540)
Mumbai, 30th August, 2022

Pawan Agarwal
Chairman
DIN: 00808731
Navi Mumbai, 30th August, 2022

Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

Suditi Industries Limited

Annexure IV - Restated Consolidated Summary Statement of Cash Flows

Particulars	Amount (Rs. in Lakhs)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash flows from operating activities			
Profit before Tax	-2,116.54	-1,824.64	-941.43
Adjustments for:			
Finance cost	452.15	474.05	428.38
Depreciation and amortisation of non-current assets (continuing and discontinued operations)	136.57	159.09	201.01
Share of Profit/(loss) of joint ventures/others	-518.85	-527.54	-73.14
Prior period account	-	-	-
Amortisation of Rights Issue Expenses	-	-	-
Profit on sale of fixed assets	-	-	-
Impairment loss, net of reversals on financial assets	-0.12	-0.55	21.57
Deferred Revenue/ Deferred Tax Adjustment	-	-	3.56
Employee's Compensation & other Equity Adjustment	-	-	-3.81
Operating cash flow before movement in working capital	-2,046.79	-1,719.59	-363.85
Movements in working capital:			
(Increase)/decrease in trade and other receivables	105.85	1,035.12	437.56
(Increase)/decrease in amounts due from customers under construction contracts	-	-	-
(Increase)/ decrease in inventories	527.08	206.03	130.82
(Increase)/decrease in other assets	-208.48	356.23	-834.39
Increase/ (Decrease) in Provisions	18.47	9.90	-33.40
Increase/ (Decrease) in trade payables	883.67	-146.87	555.68
Increase/ (Decrease) in Other Current/Financial Liabilities (excl Deferred Revenue)	1,272.07	378.76	796.18
Cash generated from/(used in) operations	551.87	119.57	688.60
Income Taxes Paid	-	-	-18.83
Net cash generated by/(used in) operating activities	551.87	119.57	669.77
Cash flows from investing activities			
Payments to acquire financial assets	-137.78	-58.68	-141.43
Proceeds on sale of financial assets	-	-	-
Movement in Long term loans and advances	14.10	-5.20	-18.40
Subsidy - Interest	-	-	-
Insurance claim received	-	-	-
Movement in Non Current Investments	-	-	0.27
Net cash (used in)/generated by investing activities	-123.68	-63.88	-159.56
Cash flows from financing activities			
Proceeds from issue of equity instruments of the Company	79.00	-	431.19
Proceeds from Non Current borrowings (Incl Deferred revenue)	-	-	-437.20
Repayment of Non Current Borrowings	-	-	-
Proceeds from Current Borrowings	-40.26	388.28	-24.43
Movement in Other long term liabilities	-	-1.04	-39.07
Dividends paid on equity shares and convertible non-participating preference shares	-	-	-
Tax paid on Dividend	-	-	-
Interest paid	-452.15	-474.05	-428.38
Net cash (used in)/ raised from financing activities	-413.40	-86.81	-497.88
Net increase/(decrease) in cash and cash equivalents	14.77	-31.12	12.32
Cash and cash equivalents at the beginning of the year	38.34	69.46	57.14
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the year	53.12	38.34	69.46
Notes:			
1. The above Cash Flow Statement has been prepared under the 'Indirect Method' in accordance with the Ind AS - 7 notified under the Section 133 of the Companies Act, 2013 & Rules made thereunder.			
	Amount (Rs. in Lakhs)		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
2. Cash and Cash Equivalents comprises of:			
Cash on Hand	4.06	5.86	25.55
Balances with Banks			
- Current Accounts	29.70	9.09	16.45
Earmarked Balances with Banks			
- Unpaid Dividend	19.35	23.38	27.45
Cash and Cash Equivalents in Cash Flow Statement	53.12	38.34	69.46

The accompanying notes 1 to 69 are an integral part of the Restated Consolidated Financial Statements
As per our report of even date

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

For and on behalf of Board of Directors
Right Issue Committee

Siddharth P Punamiya
Partner
(Membership No.148540)
Mumbai, 30th August, 2022

Pawan Agarwal
Chairman
DIN: 00808731
Navi Mumbai, 30th August, 2022

Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

Annexure V - Statement of Material Restatement Adjustments and Regroupings

1 Material Restatement Adjustments and Regroupings

The Restated Consolidated Summary Statements of Suditi Industries Limited ('Holding Company'), its subsidiaries ('Suditi Design Studio Limited and Suditi Sports Apparel Limited') and Joint Venture ('SAA & Suditi REtail Private Limited') (together referred to as the "Group") comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, and the Consolidated summary statement of notes and other explanatory information to the Restated Consolidated Summary Statements (collectively, the "Restated Consolidated Summary Statements"), and have been prepared solely for the purpose of inclusion in the Letter of Offer ("Offer Documents") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed rights issue of equity shares of Face Value of Rs.10/- each of the Company (the "Proposed Rights issue").

1.1 Material Restatement Adjustments

The impact of changes in the Restated consolidated Consolidated Summary Statements for the year ended March 31, 2022, March 31, 2021 and March 31, 2020 and required reconciliations are as follows:

Reconciliation of Total Comprehensive Income as per Historical Audited Consolidated Financial Statements with Total Comprehensive Income as per Restated Consolidated Summary Statements

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income (as per audited consolidated financial statements)	(3501.03)	(2282.46)	(224.92)
Material Restatement Adjustments (Increase)/decrease in total expenses			
Inventory Write down	763.47		(763.47)
Other Expenses	103.91	(72.95)	(30.79)
(Decrease)/increase in profit before tax	867.39	(72.95)	(794.26)
Tax Impact on the above adjustments	-	-	-
	867.39	(72.95)	(794.26)
Total Comprehensive Income (as per restated consolidated summary statements)	(2633.64)	(2355.41)	(1019.18)

Reconciliation of Total Equity as per Audited Consolidated Financial Statements with Total Equity as per Restated Consolidated Summary Statements

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Equity (as per audited consolidated financial statements)	(1882.64)	1537.20	3819.66
Material Restatement Adjustments			
Impact of changes in Restated Financial Statements		-867.39	(794.43)
Tax Impact on the above adjustments	-	-	-
Carry Forward Tax Adjustments	(2.52)	0.00	-
Current Year Dividend adjustment	-	-	-
Total Equity (as per restated consolidated summary statements)	(1885.16)	669.82	3025.23

1.2 Non-adjusting items

Emphasis of matter paragraphs in auditor's report

Emphasis of matter included in the Auditors' reports on the consolidated financial statements as at and for the years ended March 31, 2021 and March 31, 2020 which do not require any corrective adjustment in the Restated Consolidated Summary Statements are as follows:

a. Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2022:

A. We draw attention to Note No.60 and 61 to the Consolidated financial results relating to the continuous losses suffered by one of the subsidiary companies, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of these companies to continue as a going concern, a fact which has been reported by their auditors in their reports. However, basis managements plan of action, the accounts have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

B. We also draw attention to Note No.62 to the Consolidated financial results relating to the share of heavy losses incurred by the joint venture company resulting in its net worth being fully eroded, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of the joint venture to continue as a going concern, a fact which has been reported by their auditors. However, based on management's assessment, the accounts have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

b. Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2021:

A. We draw your attention to Note 53 to the Consolidated financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

B. We draw attention to Note No.60 and 61 to the Consolidated financial results relating to the continuous losses suffered by both the subsidiary companies, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of these companies to continue as a going concern, a fact which has been reported by their auditors in their reports. However, basis managements plan of action, the accounts have been prepared on a going concern basis.

C. We also draw attention to Note No.62 to the Consolidated financial results relating to the share of heavy losses incurred by the joint venture company resulting in its net worth being fully eroded, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of the joint venture to continue as a going concern, a fact which has been reported by their auditors. However, based on management's plan of action, the accounts have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and reports of the other auditors.

c. Emphasis of matter in the auditor's report on the consolidated financial statements as at and for the year ended March 31, 2020:

A. We draw your attention to Note 53 to the Consolidated financial results, which explains the uncertainties and managements' assessment of the financial impact due to the restrictions and other conditions arising due to the COVID-19 pandemic; for which a definitive assessment of the impact in the subsequent period is dependent on how the events and circumstances would evolve.

Our opinion is not modified in respect of this matter.

B. We draw attention to Note No.60 and 61 to the Consolidated financial results relating to the continuous losses suffered by both the subsidiary companies, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of these companies to continue as a going concern, a fact which has been reported by their auditors in their reports. However, basis managements plan of action, the accounts have been prepared on a going concern basis.

C. We also draw attention to Note No.62 to the Consolidated financial results relating to the share of heavy losses incurred by the joint venture company resulting in its net worth being fully eroded, a condition which indicates that a material uncertainty exists that may cast a significant doubt about the ability of the joint venture to continue as a going concern, a fact which has been reported by their auditors. However, based on management's plan of action, the accounts have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and reports of the other auditors.

1.3 Material regroupings

Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Consolidated Financial Statement of the Group for the year ended March 31, 2022 prepared in accordance with Schedule III of the Companies Act 2013, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles.

1.4 Material errors

There are no material errors that require adjustment in the Restated Consolidated Summary Statements.

Annexure VI: Consolidated Summary Statement of Notes and other explanatory information forming part of Restated Consolidated Summary Statements

1 Group overview:

- (a) The Group, Suditi Industries Limited (SIL) (Parent Co) and its Subsidiaries majorly is in the business of processing and manufacturing of knitted hosiery fabrics and readymade garments. The company is also in the business of retail sector. The manufacturing facilities of the group are situated in India.

The Parent Company is a public limited Company domiciled and incorporated in India and its Shares are publicly traded on the Bombay Stock Exchange (BSE Ltd). The Registered Office of the Company is situated at Turbhe, Navi Mumbai - 400 705.

- (b) Basis of Preparation:

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

2

- a) The Restated Consolidated Financial Statements comprises of audited Financial statements of Suditi Industries Limited (SIL) and the followings as on 31/03/2022.

Name	Proportion of ownership interest		Financial Statements as on	For the period
	31/03/2022	31/03/2021		
Subsidiaries & Indirect Subsidiary				
Suditi Design Studio Limited	98.85%	98.85%	31-03-2022	12 Months
Suditi Sports Apparels Limited	60%	80%	31-03-2022	12 Months
Joint Venture				
SAA & Suditi Retail Private Limited	50%	50%	31-03-2022	12 Months

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

3 Significant accounting policies

3.1 Basis of preparation

The Restated Consolidated Summary Statements of the Group comprise the Restated Consolidated Summary Statement of Assets and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, the Restated Consolidated Summary Statement of Profit & Loss account (including Other Comprehensive Income), the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for years ended March 31, 2022, March 31, 2021, and March 31, 2020, and significant accounting policies and other explanatory information to the Restated Consolidated Summary Statements (collectively, the ‘Restated Consolidated Summary Statements’), have been prepared solely for the purpose of inclusion in the Draft Letter of Offer (“Offer documents”) in connection with proposed Rights issue of equity shares of Face Value of Rs.10/- each of the Company (the “Proposed Rights issue”).

The Restated Consolidated Summary Statements have been approved by the Board of Directors of the Holding Company and have been prepared in all material respects with the requirements of:

a. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

b. The Guidance Note on Report in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India.

The Restated Consolidated Summary Statements have been compiled from the audited consolidated financial statements of the Group as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as “Ind AS”), which have been approved by the Board of Directors at their meetings held on May 30, 2022, August 27, 2021 and September 11, 2020 respectively.

The Restated Financial Statements have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013. Certain Balances of assets and liabilities as at March 31, 2022 have been regrouped/reclassified, wherever necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial results.

These Restated Consolidated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated financial statements mentioned above. These audited consolidated financial statements have been prepared on a going concern basis.

The underlying financial statements as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, mentioned above, are collectively referred as Historical Audited Financial Statements. The Restated Consolidated Summary Statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are required to be measured at fair value.

The Restated Consolidated Summary Statements are presented in Indian Rupees which is also functional currency of the Holding Company, and its subsidiary and controlled entity and all values are rounded to the nearest lakhs, except when otherwise indicated.

The restated consolidated summary statements were approved for issue in accordance with a resolution of the directors on 30th August, 2022

3.2 Impact of Covid-19 Pandemic

The Group has considered the possible effects that may result from the COVID-19 pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of the respective historical audited financial statements has used internal and external information which are relevant in determining the expected future performance of the Group. The Group has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's Restated Consolidated Summary Statements may differ from that estimated as at the date of approval of the respective historical audited financial statements.

3.3 Basis of consolidation

The Restated Consolidated Summary Statements comprise the Restated Consolidated Summary Statements of the Company and its subsidiary and controlled entity as at March 31, 2020, March 31, 2021 and March 31, 2022. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- (iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

The contractual arrangement with the other vote holders of the investee

- (i) Rights arising from other contractual arrangements
- (ii) The Company's voting rights and potential voting rights
- (iii) The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Interim Condensed Consolidated Financial Statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Restated Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's Restated Consolidated Summary Statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the Company's accounting policies.

The historical financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Summary Statements at the acquisition date.
- (ii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Summary Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Restated Consolidated Summary Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.4 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

Based on the nature of products/activities, the Group has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

3.5 Reclassification consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021. Consequent to this, the Group has changed the classification/presentation of :

(i) The current maturities of long-term borrowings have now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings were included in ‘other financial liabilities’ line item.

(ii) Security Deposit has now been included in Other Non Current financial Assets and Other Current Financial Assets. Previously, Security Deposit was included in other Non- Current Financial Assets and Current Financial Assets.

(iii) Fixed Deposit has now been included in Other Current Financial Assets. Previously it was included in Bank Balances other than cash and cash equivalents.

3.6 Note on Recent Pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

a. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

b. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

c. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10%' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

4 Reporting and presentation currency:

The Restated Consolidated Financial Statements are presented in Indian Rupees (₹), which is also the functional currency of the Holding Company. All amounts have been rounded off to the nearest Rupee, except share data and as otherwise stated.

5 Critical accounting estimates, assumptions and judgements:

The preparation of the Restated Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates, assumptions and judgements that affect the reported amounts of assets and liabilities and disclosures as at the date of the Restated Consolidated Financial Statements and the reported amounts of income and expense for the periods reported.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

(i) Deferred income tax assets and liabilities:

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax assets could change if management estimates of projected future taxable income or if tax regulations undergo a change.

(ii) Useful lives of property, plant and equipment ('PPE') and intangible assets:

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

(iii) Employee benefit obligations:

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iv) Provisions and contingencies:

From time to time, the Group is subject to legal proceedings, the ultimate outcome of each being subject to uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount can be reasonably estimated. Significant judgement is required when evaluating the provision including, the probability of an unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements.

Contingent assets are not disclosed in the Restated Consolidated Financial Statements unless an inflow of economic benefits is probable.

(v) Impairment of Financial assets:

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the Financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the Financial instrument)

For trade receivables, the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

6 Revenue from contracts with customers:

To determine whether to recognise revenue from contracts with customers, the Group follows a 5-step process:

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when / as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. These activity-specific revenue recognition criteria are based on the goods or services provided to the customer and the contract conditions in each case, and are as described below.

(i) Sale of fabrics and garments:

Revenue is recognised when control of the product is transferred to the customer, being when the products are delivered, accepted and acknowledged by customers and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue from the sale is recognised based on the price specified in the contract, net of rebates and discounts.

(ii) Sale of scrap:

Revenue from sale of scrap is recognised as and when the control over the goods is transferred.

(iii) Dividend and interest income:

Dividend income is recognised when the unconditional right to receive the income is established. Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method taking in to account the amount outstanding and the rate applicable.

7 Property, plant and equipment:

(i) Plant and equipment:

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

(ii) Land:

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated. Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses. The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets. Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. The cost of property, plant and equipment includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets. Property, plant and equipment which are retired from active use and are held for disposal are stated at the lower of their net book value or net realizable value. Cost of property, plant and equipment not ready for the intended use as at balance sheet date are disclosed as "capital work-in-progress".

8 Impairment testing of intangible assets and property, plant and equipment:

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors. Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

9 Depreciation and amortization:

Depreciation on property, plant and equipment is provided on straight line method and in the manner prescribed in Schedule II to the Companies Act, 2013, over its useful life specified in the Act, or based on the useful life of the assets as estimated by management based on technical evaluation and advice. The residual value is generally assessed as 5% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end.

10 Leases:

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. All leases other than finance lease are treated as operating leases. Where the Group is a lessee, payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

11 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss or amortised cost. Financial instruments are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the instrument. Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified. Classification and subsequent measurement of financial assets for the purpose of subsequent measurement financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortised cost
- b. Fair Value Through Other Comprehensive Income (FVOCI) or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

- a. Financial assets at amortised cost:

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are measured subsequently at amortised cost using the effective interest method. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

b. Financial assets at Fair Value Through Other Comprehensive Income (FVOCI):

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

c. Financial assets at Fair Value Through Profit and Loss (FVTPL):

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group also measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

12 Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and Credit risk exposure:

- (i) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in Credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets, the Group determines that whether there has been a significant increase in the Credit risk since initial recognition. If Credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if Credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, Credit quality of the instrument improves such that there is no longer a significant increase in Credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected Credit losses resulting from all possible default events over the expected life of a financial instrument. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original EIR. When estimating the cash flows, the Group is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other Credit enhancements that are integral to the contractual terms

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- (i) Financial assets measured as at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off Criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in Credit risk and impairment loss, the Group combines financial instruments on the basis of shared Credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in Credit risk to be identified on a timely basis.

Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the amount so provided is found to be adequate and in line with the requirement of the company.

13 Inventories:

(i) Raw materials:

Raw materials are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out basis.

(ii) Work in progress and finished goods:

Work in progress and finished goods are valued at lower of cost and net realizable value. Cost includes the combined cost of material, labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes goods & services tax/excise duty, wherever applicable. Cost is determined on a First in First out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(iii) Stores and Spares:

Stores and spares consists of packing materials, engineering spares and consumables which are used in operating machines or consumed as indirect materials in the manufacturing process, has been valued using weighted average cost method. The cost comprises of costs of purchase, duties and taxes(other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

14 Post-employment benefits and short-term employee benefits:

Defined contribution plan:

Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

(i) Provident fund:

The Holding Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due. Contributions to defined contribution pension scheme are recognised as an expense in the period which the related service is performed.

(ii) Other funds:

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit Plan:

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below:

(i) Gratuity:

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability. Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - compensated absences :

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

15 Taxation:

Tax expense recognised in the statement of profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are also disclosed under the same head. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the respective entity's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax liabilities are generally recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

16 Contingent liabilities and provisions:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote. The Group does not recognise contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the Restated Consolidated Financial Statements.

17 Cash and cash equivalents:

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

18 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

19 Asset held for sale:

Non-current assets and disposals groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets and its sales is highly probable. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

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

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:			
Land (Leasehold)	15.27	15.50	15.73
Building	73.17	100.14	127.11
Plant & Machinery	264.38	192.31	172.60
Furniture and Fixtures	271.74	303.62	366.72
Office & Other Equipments	64.28	77.68	95.45
Computers	14.88	10.85	21.62
Electric Installation	48.78	58.96	69.56
Vehicles	9.11	12.93	16.30
Right to use Amortised Value of Assets	-	-	-
	761.61	772.00	885.08
Capital work-in-progress	153.92	142.27	128.49
	915.53	914.26	1013.57

Intangible assets

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:			
Software	4.29	4.35	5.45
	4.29	4.35	5.45
Intangible assets under development	-	-	-
	4.29	4.35	5.45

Intangible Assets under development with opening balance as of 01/04/2019 amounting to Rs.20.78 lakhs were written off in Financial year 2021-22.

Refer to footnote in Schedule 38 of Consolidated Financial Statements for information on Property, plant and equipment pledged as security by the Company.

Property , Plant & Equipment :

Particulars	Land (Leasehold)	Building	Plant and Machinery	Furniture and Fixtures	Office & Other Equipments	Computers	Electric Installation	Vehicles	Right to use Amortised Value of Assets**	Total
Gross Block										
Cost or Deemed Cost										
Balance at March 31, 2020	16.42	384.73	2988.16	762.66	225.96	195.79	199.27	24.55	38.54	4836.08
Additions	-	-	43.62	0.07	-	0.89	0.56	-	-	45.14
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	16.42	384.73	3031.78	762.73	225.96	196.69	199.83	24.55	38.54	4881.22
Additions	-	-	87.42	27.68	4.32	6.22	0.18	-	-	125.82
Disposals	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	16.42	384.73	3,119.19	790.41	230.28	202.90	200.01	24.55	38.54	5,007.04

Particulars										
Accumulated depreciation and impairment										
Balance at March 31, 2020	0.69	257.62	2815.56	395.95	130.51	174.17	129.72	8.25	38.54	3951.00
Depreciation charge for the year	0.23	26.97	23.90	63.16	17.77	11.66	11.16	3.37	-	158.22
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2021	0.92	284.59	2839.46	459.11	148.28	185.84	140.87	11.62	38.54	4109.22
Depreciation charge for the year	0.23	26.97	15.35	59.57	17.72	2.19	10.36	3.82	-	136.21
Depreciation adjustment for the year	-	-	-	-	-	-	-	-	-	-
Balance at March 31, 2022	1.15	311.56	2854.81	518.68	166.00	188.03	151.24	15.43	38.54	4245.43

Particulars										
Carrying amount										
Balance at March 31, 2020	15.73	127.11	172.60	366.72	95.45	21.62	69.56	16.30	0	885.08
Balance at March 31, 2021	15.50	100.14	192.31	303.62	77.68	10.85	58.96	12.93	-	772.00
Balance at March 31, 2022	15.27	73.17	264.38	271.74	64.28	14.88	48.78	9.11	-	761.61

** This represents proportionate Depreciation charged to the accounts for the period upto revocation of the Lease arrangement.

Intangible Assets

	Software	Trademark	Total
Gross Block			
Cost or Deemed Cost			
Balance at March 31, 2020	44.48	3.00	47.48
Additions	-	-	-
Disposals	-	-	-
Balance at March 31, 2021	44.48	3.00	47.48
Additions	0.54	-	0.54
Disposals	-	-	-
Balance at March 31, 2022	45.02	3.00	48.56

		Total
Accumulated depreciation and impairment		
Balance at March 31, 2020	39.04	42.04
Depreciation charge for the year	1.10	1.10
Balance at March 31, 2021	40.14	43.14
Depreciation charge for the year	0.59	0.59
Balance at March 31, 2022	40.73	43.73

		Total
Carrying amount		
Balance at March 31, 2020	5.45	5.45
Balance at March 31, 2021	4.35	4.35
Balance at March 31, 2022	4.29	4.29

During the year 2019-20, the company had discontinued the lease agreement with the associate company due to regulatory and compliance requirements. Accordingly the balance in the account towards the amount amortized and the corresponding liability towards obligation to pay the lease rent were appropriately revoked and settled. As these accounting treatments are compensating in nature no significant impact is there in the profit and loss account.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

11.1 Ageing Schedule for Capital Work-in-progress

As at March 31, 2022

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	11.65	13.77	88.96	39.54	153.92
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	11.65	13.77	88.96	39.54
Projects 2	-	-	-	-

As at March 31, 2021

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	13.77	88.96	39.54	-	142.27
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	13.77	88.96	39.54	-
Projects 2	-	-	-	-

As at March 31, 2020

CWIP aging schedule

Amount (Rs. in Lakhs)

CWIP / Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 year	
Projects in progress	88.96	39.53	-	-	128.49
Projects temporarily suspended	-	-	-	-	-

CWIP / Intangible assets under development	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 year
Projects 1	88.96	39.53	-	-
Projects 2	-	-	-	-

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

12 Loans

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Non- Current			
	Unsecured, considered Good			
	Capital Advances	27.92	27.92	27.92
	Total	27.92	27.92	27.92
	Current			
	Loans & Advances to Employees	2.90	5.34	1.62
	Total	2.90	5.34	1.62

13 Other Non Current Financial Assets

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good			
	Fixed Deposit with Banks			
	Bank deposits with original maturity for more than 12 months	66.37	3.45	3.37
	Total	66.37	3.45	3.37

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

14 Deferred Tax Assets/(Liabilities)

Amount (Rs. in Lakhs)

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

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Net Deferred Tax (Liability)/ Asset	6.58	9.97	13.94
	Total	6.58	9.97	13.94

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Deferred tax Assets			
	Related to Other Current Liabilities	2.47	2.61	(3.48)
	Related to Short term provisions	-	-	-
	Related to Plant, Property & Equipment	4.87	8.11	19.98
	Related to Actuarial (Gain) / Loss	-	-	-
	Other Adjustments	-	-	-
	Total	7.33	10.72	16.49

	Deferred tax Liabilities			
	Related to Other Current Liabilities	-	-	-
	Total	-	-	0.00
	Deffered Tax Liability on OCI	(0.76)	(0.76)	(0.76)
	Impact of Change in Tax Rate	-	-	(1.79)
	Net deferred tax (liability) / asset	6.58	9.97	13.94

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

15 Other Assets

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(A) Other Non- Current Assets Unsecured, Considered Good			
- Prepaid Expenses	-	-	3.14
- Security Deposits	768.42	845.44	837.19
Total of Other Non- Current Assets	768.42	845.44	840.33
(B) Other Current Assets			
- Other Advances	125.50	52.58	327.13
- Advance to Suppliers	627.44	548.74	693.05
- Prepaid Expenses	4.42	6.87	16.34
Others:-			
- Balances with government authorities			
- Central Excise and Customs	5.37	5.37	5.37
- GST receivable	310.20	279.88	206.44
- Sales tax Refund and Set-off	81.90	90.10	99.68
Total of Other Current Assets	1154.84	983.55	1348.01

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

16 Inventories

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Inventories (lower of cost and net realisable value)			
- Raw materials	122.68	138.44	405.02
- Work-in-progress	329.73	46.91	113.87
- Finished goods	2102.35	2922.97	2798.92
- Stock-in-trade	-	-	-
- Stores and spares	72.56	57.36	55.46
- Fuel & Oil	16.81	5.51	3.96
Total	2644.13	3171.20	3377.23

Details of inventories pledged for Bank Borrowings as security for liabilities is as follows:

Particulars	Amount (Rs. in Lakhs)	Security hypothecated/pledged against
31st March 2022		
— Raw Materials / Work-in-progress	452.41	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	2102.35	
31st March 2021		
— Raw Materials / Work-in-progress	185.36	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	2922.97	
31st March 2020		
— Raw Materials / Work-in-progress	518.89	Working Capital Loan from Axis Bank Limited & The South Indian Bank Limited in respect of Suditi Industries Limited & from Indian Overseas Bank in respect of Suditi Design Studio Limited
— Finished goods / Stock-in-trade	2798.92	

Mode of valuation:

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

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

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

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

Finished goods and work in progress:

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

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

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

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

17 Other investments

Amount (Rs. in Lakhs)

Current

	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
(A) Investments in Equity Instruments						
Quoted- Others (At Fair Value through OCI)						
IDBI Bank Limited - Fully paid-up [2880 (Including Bonus Shares issue of 1080 shares)]	2,880	1.23	2,880	1.11	2,880	0.56
Total Aggregate Quoted Investments (A)	2,880	1.23	2,880	1.11	2,880	0.56

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

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

18 Trade Receivables

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Current			
	Secured			
	(a) Considered good			
	— From Related Parties	666.89	538.51	194.99
	— From Others	1252.97	1394.72	1672.58
	Unsecured			
	(a) Considered good			
	— From Related Parties	-	-	18.92
	— From Others	903.79	1897.83	2546.92
	(b) Receivables which have significant increase in credit risk			
	— From Related Parties	-	-	-
	— From Others	1279.71	80.86	149.91
	Allowance for expected credit loss			
	(a) Receivables which have significant increase in credit risk			
	— From Related Parties	-	-	-
	— From Others	(856.68)	(561.82)	(194.40)
	Credit impaired	-	-	-
	Total	3246.68	3350.10	4388.92

Movement in provisions of doubtful debts

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Opening Provision	561.82	194.40	11.40
Add :	Additional Provision made	294.86	383.05	183.00
Less :	Provision write back	-	15.63	-
	Closing Provisions	856.68	561.82	194.40

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

Trade receivables are non-interest bearing and credit period generally falls in the range of 30 to 120 days terms.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

18.1 Ageing for trade receivables is as follows

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables-considered good	1490.29	346.84	440.63	679.52	374.47	3331.73
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	26.16	0.36	26.53
(iv) Disputed Trade Receivables– considered good	0.00	0.00	0.00	184.11	225.54	409.65
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	13.11	186.19	136.15	335.45
TOTAL	1490.29	346.84	453.74	1075.98	736.52	4103.36

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables-considered good	1888.61	313.78	50.20	0.65	19.49	2272.74
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	917.89	268.06	370.03	1555.98
(iv) Disputed Trade Receivables– considered good	19.14	64.05	0.00	0.00	0.00	83.19
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	1907.75	377.83	968.09	268.72	389.52	3911.91

As at March 31, 2020

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 year	2-3 year	More than 3 year	
(i) Undisputed Trade receivables-considered good	2304.33	343.27	173.68	1.52	96.26	2919.05
(ii) Undisputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables– considered good	424.33	0.00	1239.94	0.00	0.00	1664.28
(v) Disputed Trade Receivables – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	2728.66	343.27	1413.62	1.52	96.26	4583.33

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

19 Cash and Cash Equivalents

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balances with Banks	29.70	9.09	16.45
Cash on hand	4.06	5.86	25.55
Others :			
Unclaimed Dividend Accounts	19.35	23.38	27.45
Total	53.12	38.34	69.46

20 Current tax assets

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current tax assets			
Income Tax (TDS, Net of Provisions)	113.83	76.64	68.42
Advance Tax paid	-	-	-
Total	113.83	76.64	68.42

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

21 Equity share capital

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Equity share capital	1755.41	1755.41
Total	1,755.41	1,755.41	1,755.41
Authorised Share Capital			
3,00,00,000 Fully paid equity shares of Rs.10/- each	3000.00	2500.00	2500.00
Issued, subscribed & Paid Up			
1,75,54,123 Fully paid equity shares of Rs.10/- each (as at March 31, 2022) ; (1,75,54,123 of 10 each as at March 31, 2021)	1755.41	1755.41	1755.41
Total	1755.41	1755.41	1755.41

Note: During the year, the Company has increased the Authorised Capital from Rs.2500 Lakhs to Rs.3000 Lakhs

Fully paid equity shares

	Number of shares	Share capital (Amount)
Balance at March 31, 2020	1,75,54,123	1755.41
Addition to equity share capital during the year	-	-
Balance at March 31, 2021	1,75,54,123	1755.41
Addition to equity share capital during the year	-	-
Balance at March 31, 2022	1,75,54,123	1755.41

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

Details of Ordinary (Equity) shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares						
Pawan Kishorilal Agarwal	1,13,87,255	64.869	1,12,79,991	64.260	1,12,79,991	64.260

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

There has been no allotment of shares pursuant to contract(s) without payment being received in cash during 5 years immediately preceding 31st March, 2022.

Shares reserved for issue under options

960000 shares were reserved for issue under the Employees Stock Option Plan pursuant to a special resolution passed in 20th Annual General Meeting held on 2nd September, 2011. During the year 2021-22, the Company has neither granted any options to any employees nor any options were exercised as there are no options pending which are yet to be exercised. The details of the options granted and exercised in past are as follows.

- 1) The company has so far allotted 317320 shares.
- 2) The balance as on 31st March 2022 is 642680 options which is yet to be granted to the employees from reserved portion of the equity capital.

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

21.1 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year							
Sr No.	Promoter name	As on 31st March, 2022		As on 31st March, 2021		As on 31st March, 2020	
		No. of shares	% of total shares	No. of shares	% of total shares	No. of shares	% of total shares
1	PAWAN AGARWAL (KEY PROMOTER, DIRECTOR)	11387255	64.87	11279991	64.26	11279991	64.26
2	SHALINI AGARWAL (P/PG/PAC)	209600	1.19	209600	1.19	209600	1.19
3	RAJENDRA AGARWAL (P/PG/PAC)	26221	0.15	26221	0.15	26221	0.15
4	ARCHANA AGARWAL (PG/PAC)	49500	0.28	49500	0.28	49500	0.28
5	HARSH AGARWAL (PG/PAC)	22500	0.13	22500	0.13	22500	0.13
6	TANAY AGARWAL (PG/PAC)	22500	0.13	22500	0.13	22500	0.13
7	TANUJ AGARWAL (PG/PAC)	22500	0.13	22500	0.13	22500	0.13
8	MEENA GUPTA (PG/PAC)	10000	0.06	10000	0.06	10000	0.06
9	SHILPA AGARWAL (PG/PAC)	2500	0.01	2500	0.01	2500	0.01
10	BLACK GOLD LEASING PVT. LTD. (PG/PAC)	19717	0.11	19717	0.11	19717	0.11
11	R. PIYARELALL PVT. LTD. (PG/PAC)	100	0.00	100	0.00	100	0.00
Total		11772393	67.06	11665129	66.45	11665129	66.45

Note P means Promoter
PG means Promoter Group
PAC means Persons Acting in Concert

Summary of significant accounting policies and other explanatory information on the Consolidated Financial Statement for the year ended 31st March, 2022

21.2 Disclosure of Shareholding of Promoters / Promoters group

Shares held by promoters at the end of year									
Sr No.	Promoter name	As on 31st March, 2022			As on 31st March, 2021			As on 1st April 2020	
		No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares
1	PAWAN AGARWAL (KEY PROMOTER, DIRECTOR)	11387255	64.87	0.61	11279991	64.26	-	11279991	64.26
2	SHALINI AGARWAL (P/PG/PAC)	209600	1.19	-	209600	1.19	-	209600	1.19
3	RAJENDRA AGARWAL (P/PG/PAC)	26221	0.15	-	26221	0.15	-	26221	0.15
4	ARCHANA AGARWAL (PG/PAC)	49500	0.28	-	49500	0.28	-	49500	0.28
5	HARSH AGARWAL (PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
6	TANAY AGARWAL (PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
7	TANUJ AGARWAL (PG/PAC)	22500	0.13	-	22500	0.13	-	22500	0.13
8	MEENA GUPTA (PG/PAC)	10000	0.06	-	10000	0.06	-	10000	0.06
9	SHILPA AGARWAL (PG/PAC)	2500	0.01	-	2500	0.01	-	2500	0.01
10	BLACK GOLD LEASING PVT. LTD. (PG/PAC)	19717	0.11	-	19717	0.11	-	19717	0.11
11	R. PIYARELALL PVT. LTD. (PG/PAC)	100	0.00	-	100	0.00	-	100	0.00
Total		11772393	67.06		11665129	66.45		11665129	66.45

Note P means Promoter
PG means Promoter Group
PAC means Persons Acting in Concert

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

22 Other Equity

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Retained earnings	(4301.62)	(1654.79)	694.81
Securities premium reserve	542.08	542.08	542.08
Share option outstanding account	19.27	19.27	19.27
Items of other comprehensive income	21.83	17.98	17.43
Total	(3718.44)	(1075.46)	1273.59

The details are as follows:-

Retained Earnings	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	(1654.79)	694.81	1737.60
Add: Profit During the year	(2033.05)	(1591.01)	(792.06)
Impact on Account of Deferred Tax	-	-	-
Ajustment Provision to Retained Earnings	-	-	(14.60)
IndAS Adjustments (P.Y)	-	-	-
Adjustment of Profit/Loss of Subsidiary	(94.93)	(231.05)	(163.00)
Share of Profit/(Loss) in Joint Venture	(518.85)	(527.54)	(73.14)
Balance at end of year	(4301.62)	(1654.79)	694.81

Securities premium	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	542.08	542.08	146.93
Add: Transfers during the year	-	-	395.15
Balance at end of year	542.08	542.08	542.08

Share option outstanding account	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	19.27	19.27	25.84
Add: Transfers during the year	-	-	(6.57)
Balance at end of year	19.27	19.27	19.27

Items of other comprehensive income	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of year	17.98	17.43	3.69
Add: Additions during the year	3.84	0.56	13.74
Balance at end of year	21.83	17.98	17.43

Description of nature & purpose of each reserve:

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

Securities Premium: Securities premium reserve is created due to premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

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

Items of other comprehensive income: Created for transferring the re-measurements gains & losses on defined benefit plans.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

23 Non-current borrowings

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Secured			
(i).	Term loans			
	- From banks	597.36	690.53	-
	Less: Current maturities of Long-term debt	227.64	140.82	-
	Total non-current borrowings	369.71	549.71	-

24 Other non-current liabilities

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Security Deposits	161.81	161.81	162.85
	Total	161.81	161.81	162.85

25 Current borrowings

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a).	Loans repayable on demand			
	- from Commercial Banks	2098.11	3494.59	3596.76
	- from Directors	750.00	-	-
	- from Promoter Group	450.00	-	-
	- from others	273.47	24.07	224.15
b).	Current maturities of Long-term debt	227.64	140.82	-
	Total	3799.22	3659.48	3820.91

- Secured Loans are the Credit Facilities availed by the Company from its existing Banks viz. M/s. Axis Bank Limited and The South Indian Bank Limited under Emergency Credit Line Guarantee Scheme (ECLGS) extended by the Reserve Bank of India (RBI) to support the Companies during the pandemic period. The Company had during FY 2020-21 received Rs.4,85,00,000/- from Axis Bank Limited and Rs.1,96,93,000/- from The South Indian Bank Limited. These Facilities are extended without any counter-guarantee to the Bank. However, these loans are secured against the hypothecation of the Company's Inventory & Book Debts. The Rate of Interest charged by Axis Bank Limited is 8.75% and The South Indian Bank Limited is 8.65%. The Loan shall be repayable after 4 years with a moratorium period of 1 year.
- Loans of Commercial Banks includes the borrowings from Axis Bank Limited and The South Indian Bank Limited. Rate of interest charged for the working capital borrowing in respect of Axis Bank Limited is MCLR + 1.5% p.a. & The South Indian Bank Limited is MCLR + 0.55% p.a. Working capital loan is secured by hypothecation of inventories and book debts. The loan is collaterally secured by Land & Building and Plant & machinery located at Pawne village Turbhe, Navi Mumbai and also personal guarantee executed by Chairman Shri Pawan Agarwal in favour of both the Banks.
- Current maturities of Long-term debt is the installment due for payment pertaining to Emergency Credit Line Guarantee Scheme (ECLGS) in the year 2021-22.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

26 Trade payables

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	(a) Total outstanding dues of micro enterprises and small enterprises	482.54	233.18	205.23
	(b) Total outstanding dues of creditors other than microenterprises and small enterprises	3059.17	2424.85	2599.67
	Total	3541.70	2658.03	2804.90

According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows :

i)	Principal amount remaining unpaid to any supplier as at the end of the year	482.54	233.18	205.23
ii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
iv)	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	18.85	6.05	10.89
v)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-	-

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

26.1 Ageing of Trade Payables:

As at March 31, 2022

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	479.78	0.66	1.93	0.16	482.54
(ii) Other	1697.44	594.97	45.04	721.72	3059.17
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

As at March 31, 2021

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	151.27	79.82	1.93	0.16	233.18
(ii) Other	1266.84	1028.28	114.83	14.90	2424.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

As at March 31, 2020

Amount (Rs. in Lakhs)

Particular	Outstanding for following periods from due date of payment				
	Less than 1 years	1-2 Years	2-3 Years	More than 3 years	Total
i) MSME	149.18	53.96	1.93	0.16	205.23
(ii) Other	1608.61	931.12	45.04	14.90	2599.67
(iii) Disputed dues – MSME	-	-	-	-	-
(iii) Disputed dues – Others	-	-	-	-	-

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

27 Other financial liabilities

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Current			
a	Employee Benefits Payable	65.74	75.22	78.27
b	Outstanding Expenses	94.39	139.00	165.30
c	Vendor Payment Facility	85.99	89.57	103
d	Unpaid Dividend	19.35	23.38	27.45
	Total	265.48	327.17	374.40

Note: An amount of Rs.404207/-, being unclaimed dividend, has been transferred during the year to the Investor Education and Protection Fund as per applicable Rules and reported to the Registrar of Companies, Ministry of Corporate Affairs.

28 Provisions

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	Non-current			
	Defined benefit liability (net)	37.23	29.00	22.15
	Other long term employee obligations	18.39	19.10	10.09
	Total	55.62	48.09	32.24
	Current			
	Defined benefit liability (net)	0.01	-	-
	Other long term employee obligations	7.21	-	6.46
	Audit Fees Payable	10.59	6.86	6.36
	Dividend Payable (Including Tax)	-	-	-
	Total	17.81	6.86	12.81

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

29 Other current liabilities

Amount (Rs. in Lakhs)

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
	TDS Payable	22.35	7.36	11.06
	Professional Tax Payable	1.35	0.33	0.55
	Income tax payable	-	-	16.31
	Advance to employee	-	-	-
	Advances from Customers	1507.17	713.57	787.23
	Provident fund	3.27	2.89	4.49
	ESIC	0.50	0.39	0.83
	Sales tax	0.87	0.87	0.87
	GST Payable	-	-	6.36
	Deferred Revenue	-	-	-
	Share of loss from JV	1144.13	625.28	97.73
	Total	2679.63	1350.68	925.43

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

30 Revenue from operations

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
A. Revenue from contracts with customers disaggregated based on nature of product or services			
(a) Revenue from Sale of Products:			
- Manufactured goods	10308.89	4999.93	9477.83
- Stock-in-trade	-	-	-
Sub-Total (a)	10,309	5,000	9,478
(b) Other operating revenues:			
- Export incentives	-	-	-
- Royalty received From subsidiaries and associates	-	-	-
- Royalty received From others	-	-	-
- Scrap Sales	19.43	12.61	10.01
- Others (specify details)	-	0.24	-
Sub-Total (b)	19.43	12.86	10.01
Total Revenue from Operations (a+b)	10328.32	5012.79	9487.85

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
B. Revenue from contracts with customers disaggregated based on geography			
The table below presents disaggregated revenue from contracts with customers for the year ended March 2022, March 2021 and March 2020. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors			
(a) Domestic	10328.32	5012.79	9487.85
(b) Exports	-	-	-
Total Revenue from Operations (a+b)	10328.32	5012.79	9487.85

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
C. Reconciliation of Gross Revenue from Contracts With Customers			
Gross Revenue	11683.39	6706.95	10857.85
Less : Discount	1166.35	764.35	1287.17
Less : Returns	156.55	927.21	82.34
Less : price concession	32.18	2.60	0.50
Less : incentives and performance bonus	-	-	-
Less : Others (specify details)	-	-	-
Net Revenue recognised from Contracts with Customers	10328.32	5012.79	9487.85

Notes:

C1. The amounts receivable from customers become due after expiry of credit period which on an average is less than **180 days**. There is no significant financing component in any transaction with the customers.

C2. The Company provides agreed upon performance warranty for all range of products. The amount of liability towards such warranty is immaterial.

C3. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

31 Other Income**Amount (Rs. in Lakhs)**

	Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(a).	Interest Income from:			
	- Bank deposits	0.30	0.08	0.21
		0.30	0.08	0.21
(b).	Other non-operating income			
	- Miscellaneous Income (Fees, Charges & Write Backs)	85.34	30.86	64.05
		85.34	30.86	64.05
	(a + b)	85.64	30.94	64.26

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

Amount (Rs. in Lakhs)

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
32 Cost of Materials consumed			
Opening stock	138.44	405.02	181.30
Add: Purchases	6729.96	3379.42	6234.34
Less: Closing stock	122.68	138.44	405.02
	6745.72	3646.00	6010.62
Raw Material and packaging material consumed:			
Chemicals	409.90	188.67	407.02
Dyes	180.27	108.63	244.21
Yarn & Fabric	5912.94	3081.22	4462.05
Other Raw Materials	242.61	267.48	897.34
	6745.72	3646.00	6010.62

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

Inventories at the end of the year:

Amount (Rs. in Lakhs)

Finished goods	2865.82	3686.44	3562.39
Work-in-progress	329.73	46.91	113.87
Stock-in-trade	-	-	-
	3195.55	3733.35	3676.26
Inventories at the beginning of the year:			
Finished goods	3686.44	3562.39	3104.06
Work-in-progress	46.91	113.87	176.82
Stock-in-trade	-	-	-
	3733.35	3676.26	3280.88
	537.80	(57.10)	(395.38)

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

34 Employee benefits expenses

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Salaries, Wages and Bonus	608.39	343.20	631.90
Contribution to provident funds and other funds	28.60	24.58	36.64
Staff Welfare Expenses	70.90	19.48	44.05
Total Employee benefit expenses	707.89	387.26	712.59

35 Finance Costs

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Interest and Finance charges on financial liabilities carried at amortised cost			
Interest on borrowings	332.53	424.00	390.77
Interest on Trade payables	11.80	1.64	12.97
Interest on Income Tax	-	-	4.96
Interest on TDS	-	-	-
Interest on MSME	18.85	6.05	10.89
Interest on Vehicle Loan	0.10	0.18	0.59
Other interest expenses	88.87	42.18	8.20
Total	452.15	474.05	428.38

36 Depreciation and amortisation expense

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Depreciation of property, plant and equipment	135.98	157.99	168.81
Amortisation of intangible assets	0.59	1.10	1.89
Depreciation on Right to Use assets	-	-	38.54
Total depreciation and amortisation expenses	136.57	159.09	209.24

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

37 Other expenses

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Consumption of Stores, Spares & Consumable	404.91	209.44	224.73
Consumption Of Packing Materials	79.54	38.27	61.61
Sub Contracting	1409.62	723.20	1200.44
Power & Fuel	766.24	362.74	586.83
Cam charges	-	-	1.86
Water	78.18	53.35	89.68
Rent Including Lease Rentals	39.38	30.34	49.73
Repairs & Maintenance:			
- Building	7.85	2.58	1.99
- Machinery	10.80	14.23	35.74
- Others	39.04	36.97	46.47
Insurance	13.60	16.10	13.71
Garment Expenses	-	0.14	0.69
Rates & Taxes	5.12	6.39	5.63
Telephone & Communication Charges	18.35	10.96	14.78
Travelling & Conveyance	48.79	10.34	30.36
Printing & Stationery	11.62	6.92	14.22
Sales Commission	28.99	10.74	5.43
Discount on sales	-	-	-
Brokerage	6.74	-	-
Sales Tax Expenses	18.94	-	-
Testing Expenses	12.21	-	-
Pilferage & Shortage	-	0.95	0.18
Royalty	102.18	121.08	43.65
Donation & Contributions	-	-	-
Legal & Professional fees	81.12	39.96	63.69
Statutory Auditors Remuneration*	9.04	9.05	9.21
Transportation Charges	202.17	53.44	72.09
Bank Charges, Commission & Others	11.81	21.65	15.51
Advertisement Expenses	23.79	9.63	12.30
Motor Car Expenses	10.20	6.89	14.15
Security Charges	34.93	29.76	33.93
Registrar & Transfer Expenses	2.23	0.63	2.71
Subscription & Membership	10.73	4.77	0.49
Establishment Management Fees (Garment)	-	-	-
Prior Period Expenses	-	-	-
Sundry Balance w/off	0.49	-	-
Impairment of Assets Written Off (Intangible Assets)	-	-	20.78
Amortisation of Land	0.23	0.23	0.23
Discounting Charges on Amortised Assets	-	-	15.70
Provision for Bad & Doubtful Debts	294.86	383.05	30.36
Miscellaneous Expenses	14.41	23.48	44.40
Loss on sale of Motor Car	-	-	0.69
Prepaid Expenses - Security Deposit	-	-	0.25
GST Expenses	3.01	-	0.39
Business Promotion Expense	149.26	21.78	-
Total	3950.35	2259.06	2764.61

(i) *Statutory Auditors Remuneration

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
a) For audit	7.54	7.55	7.71
b) For taxation matters	1.50	1.50	1.50
Total	9.04	9.05	9.21

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

37 Other expenses (continued..)

(ii) Details of CSR expenditure (included under donations):

1) Brief outline on CSR policy of the Company:

Our Corporate Social Responsibility (CSR) company policy refers to our responsibility toward our environment. Our company's existence is not lonely. It's part of a bigger system of people, values, other organizations and nature. The social responsibility of a business is to give back to the world just as it gives to us. The company likes to retain its positioning as a responsible corporate entity spearheading socio-economic transformation in the area where it operates with the available resources at its disposal. The company is committed to identifying and supporting programs aimed at:

- 1) Developing and advancing the community and the society particularly, those at the bottom of the pyramid who are unequally endowed/enabled, and 2) Reducing the negative impact of its operations on the environment

This policy will serve as a guiding document containing approach and direction given by the board, taking into account the recommendations of the CSR Committee, defining guiding principles for selection, implementation and monitoring of activities within the purview of schedule VII of the Companies Act and CSR provisions as well as formulation of the annual action plan. The CSR policy would function as a self-regulating mechanism for the Company's CSR activities and enable adherence to laws, ethical standards, and international practices in this regard.

2) The Composition of the CSR Committee is as under:

Sl No.	Name of Director	Designation / nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shr. Pawan Agarwal	Chairman	1	1
2.	Smt. Sanjula Sanghai	Independent Director	1	1
3.	Shri. Rajagopal Raja Chinraj	Executive Director	1	1

- 3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: www.suditi.in
- 4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): NA
- 5) Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
-	NIL	Nil	NIL

- 6) Average net profit of the company as per section 135(5): 35963603
- 7) (a) Two percent of average net profit of the company as per section 135(5): Rs.719272
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil
 (d) Total CSR obligation for the financial year (7a+7b-7c): 719272
- 8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
975000	nil	nil		nil	

(b) Details of CSR amount spent against ongoing projects for the financial year

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (Rs. in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency		
				State	District						Name	CSR	
1.	NIL	-	-	-	-	-	-	-	-	-	NIL	-	
Total													

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (in Rs.)	Mode of Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1.	Poverty and hunger eradication, self-employment, health care etc.	I, II, & III		Maharashtra	Mumbai	975000	No	Omkar Andh-Apang Samajik Sanstha	CSR00003196
Total						975000			

*In accordance with the applicable provisions of Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended) CSR Registration Number for Implementing Agencies is applicable only w.e.f April 01, 2021. Hence, the CSR Registration Number is stated as N.A. i.e. 'Not Applicable' for all the implementing agencies in this report which pertains to CSR Activities for the financial year ended March 31, 2021.

(d) Amount Spent in Administrative Overheads: nil

(e) Amount spent on Impact Assessment, if applicable: nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): nil

(g) Excess amount for set off, if any: nil

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	719272
(ii)	Total amount spent for the Financial Year	975000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	255728
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	255728

9) (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer	
1	2018-19	nil	nil	nil	nil	nil	950958

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed /Ongoing.
	nil	nil	ni	nil	nil	nil	nil	nil

10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: There is no creation or acquisition of capital asset during the year under review.-

(Asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).nil
- (b) Amount of CSR spent for creation or acquisition of capital asset. nil
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. nil
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).nil

11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Since the CSR provisions were applicable for the company from the year 2018-19, the company was in the process of identifying the ideal project which is in line with the company's policies and objectives. Further in view of pandemic conditions and closure of the plant operations the company had to defer the spending of the CSR amount for a period for identifying the right project. In the meantime in view of the amendments to CSR Act and rules, the company needs to spend the amount of Rs. 719272/- as earmarked for the CSR activities pertaining to the year 2019-20 before 31.03.2021. Since the amount of Rs.950958/- pertaining to the year 2018-19 was provided in the earlier year before amendments came in and the company was passing through an uncertain future due to pandemic conditions, the CSR committee decided to carry forward the amount of Rs. 950598 for the next year. The Company spent an amount f Rs.975000/- against the amount required to be spent for the Financial year 2019-20 amounting to Rs.719272 and the surplus spent amount of Rs.255728 is carried forward. The amount required to be spent for the financial year 2018-19 will be decided accordingly as per the prevailing circumstances by taking into the account the available carry forward amount.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

38 Ratio & Variance Analysis

Sr. no.	Ratio	Numerator	Denominator	2021-22	2020-21	2019-20	% Variance between 2021-22 & 2020-21	Reason for variance between 2021-22 & 2020-21	% Variance between 2020-21 & 2019-20	Reason for variance between 2020-21 & 2019-20
				Current period ratio	Previous period ratio	Previous period ratio				
1	Current Ratio	Current Assets	Current Liabilities	0.70	0.95	1.17	(26.51)	Due to higher amount of losses made by the company due to the pandemic.	(18.25)	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company operated at sub optimal level compared to the year 2019-20. There was less movement of inventory and inordinate delay in the realization from debtors. Hence the figures are not comparable.
2	Debt-Equity Ratio	Total Debt	Shareholder's Equity	(0.20)	0.82	-	(123.90)	Due to Increase in borrowings & losses made by the company .	-	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company maintained the operations at a conservative level and no borrowings were planned other than those required for supporting the working capital requirements. Further the unit operated at sub optimal level compared to the year 2019-20. Hence the figures are not comparable.
3	Debt Service Coverage Ratio	Net Profit before tax+Depreciation+Lease rent+Interest+Profit on Sales of Fixed Assets	Interest & Lease Payments + Principal Repayments	(3.38)	(2.51)	-	34.43	Due to Increase in losses made by the company.	-	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company operated at sub optimal level compared to the year 2019-20. Hence the figures are negative and not comparable.
4	Return on Equity Ratio	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	(4.33)	1.27	0.31	(439.95)	Due to Increase in losses made by the company.	315.15	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company reported significant losses and lower sales compared to the year 2019-20. Hence the figures are negative and not stated here.
5	Inventory Turnover Ratio	Net Credit Sales	Average Inventories	3.55	1.53	2.76	132.01	Due to Delay in realization of receivables & inventory accumulation due to pandemic.	(44.45)	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company operated at sub optimal level compared to the year 2019-20. Hence the figures are not comparable.
6	Trade Receivables Turnover Ratio	Net Credit Sales	Average Accounts Receivable	3.13	1.30	2.06	141.72	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances	(37.09)	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, there was inordinate delay in the realization from debtors. Hence the figures are not comparable.
7	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	2.41	1.48	2.67	62.49	Due to Delay in realization of receivables & inventory accumulation due to pandemic disturbances	(44.51)	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company operated at sub optimal level compared to the year 2019-20. This has caused financial crisis and the company had to delay the payment schedule. Hence the figures are not comparable.
8	Net Capital Turnover Ratio	Net Credit Sales	Average Working Capital	(5.96)	10.67	5.20	(155.92)	Due to Increase in losses made by the company.	105.10	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company reported significant losses and lower sales compared to the year 2019-20. Hence the figures are not comparable.
9	Net Profit Ratio	Net Profit after Tax	Revenue from Operations	(0.25)	(0.47)	(0.11)	(45.73)	Due to Increase in losses made by the company.	337.42	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company operated at sub optimal level compared to the year 2019-20. Hence the figures are not comparable.
10	Return on Capital Employed	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	1.43	(1.55)	(0.19)	(192.24)	Due to Increase in losses made by the company.	716.57	The impact of Lock down and disturbances in the economic situations due to Covid 19 pandemic, the company reported significant losses and lower sales compared to the year 2019-20. Hence the figures are negative and not stated here.
11	Return on Investment	Non Operating Income from Investment	Average Investment	-	-	-	-	Not Applicable	-	Not Applicable

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

39 Financial Risk Management Objectives & Policy

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments. The Company is exposed to market risk (including foreign currency risk, interest rate risk and commodity risk, etc.), credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews Financial Risk Management Policy for managing and mitigating these risks, which are summarized below:

1) Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from change in the price of a financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly of risks related to changes in foreign currency exchange rates, commodity prices and interest rates. The Company has a moderate risk management system monitored by Risk Management Committee to inform Board Members about risk management and minimization procedures.

a) Foreign currency risk management

The Company's functional currency is Indian Rupees (INR). The Company is not having any significant foreign transactions; hence the company is not prone to foreign currency risks as on the date of the balance sheet.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees with a mix of fixed and floating rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day-to-day operations. The Company regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Loans in Rupees:			
a) Fixed Rate borrowings	393.18	653.71	321.11
b) Floating Rate borrowings	3548.11	3414.66	3499.80
Sub-Total	3941.29	4068.37	3820.91
Add: Upfront Fees			
Total Borrowings	3941.29	4068.37	3820.91

Interest Rate Sensitivity :

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

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Change in basis Points	25	25	25
Effect on profit / (loss) before tax	-8.87	-8.54	-8.75
Change in Basis Points	-25	-25	-25
Effect on profit / (loss) before tax	8.87	8.54	8.75

c) Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its products. Market forces generally determine prices for the products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its products.

The Company primarily purchases its raw materials in the open market from third parties. The Company is therefore subject to fluctuations in prices for the purchase of raw materials. The Company purchased substantially all of its iron ore and coal requirements from third parties in the open market during the year ended 31 March 2021.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures key raw materials based on prevailing market rates as the selling prices of its products and the prices of input raw materials move in the same direction.

2) Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Company's credit risk arises principally from the trade receivables and financial instruments and deposits with banks.

Trade receivables:

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Credit risk on receivables from organized and bigger buyers is mitigated by securing the same against letters of credit and guarantees of reputed nationalized and private sector banks/ part advance payments/post dated cheques.

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue in any of the years indicated.

The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. The outstanding from the trade segment is secured by two tier security – security deposit from the dealer himself, and our business associates who manage the dealers are also responsible for the outstanding from any of the dealers in their respective region. Impairment analysis is performed based on historical data at each reporting period on an individual basis.

Ageing of Trade Receivables:

Amount (Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Upto 6 Months	1490.29	1907.75	2728.66
Above 6 months	1756.39	1442.34	1660.26
Grand Total	3246.68	3350.10	4388.92

Financial Instruments and Deposits with Banks:

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

3) Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Liquidity exposure as at 31 March 2022

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	1.23	1.23	-	-	1.23
Loans	2.90	2.90	-	-	2.90
Trade receivables	3246.68	3246.68	-	-	3246.68
Cash and cash	53.12	53.12	-	-	53.12
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	66.37	66.37	-	-	66.37
Inventory	2644.13	2641.81	2.32	-	2644.13
Total financial assets	6014.43	6012.11	2.32	-	6014.43
Financial liabilities:					
Long term borrowings	369.71	369.71	-	-	369.71
Short term borrowings	3799.22	3799.22	-	-	3799.22
Trade payables	3541.70	3541.70	-	-	3541.70
Other financial liabilities	265.48	265.48	-	-	265.48
Total financial liabilities	7976.11	7976.11	-	-	7976.11

Liquidity exposure as at 31 March 2021

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	1.11	1.11	-	-	1.11
Loans	5.34	5.34	-	-	5.34
Trade receivables	3350.10	3350.10	-	-	3350.10
Cash and cash	38.34	38.34	-	-	38.34
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3.45	3.45	-	-	3.45
Inventory	3171.20	3168.88	2.32	-	3171.20
Total financial assets	6569.53	6567.21	2.32	-	6569.53
Financial liabilities:					
Long term borrowings	550	550	-	-	550
Short term borrowings	3659.48	3659.48	-	-	3659.48
Trade payables	2658.03	2658.03	-	-	2658.03
Other financial liabilities	327.17	327.17	-	-	327.17
Total financial liabilities	7194.39	7194.39	-	-	7194.39

Liquidity exposure as at 31 March 2020

Amount (Rs. in Lakhs)

Particulars	Carrying Amount	< 1 year	1-5 years	> 5 years	Total
Financial assets:					
Non-current investments	-	-	-	-	-
Current investments	0.56	0.56	-	-	0.56
Loans	1.62	1.62	-	-	1.62
Trade receivables	4388.92	4388.92	-	-	4388.92
Cash and cash	69.46	69.46	-	-	69.46
Bank balances other than cash and cash Equivalents	-	-	-	-	-
Other financial assets	3.37	3.37	-	-	3.37
Inventory	3171.20	3168.88	2.32	-	3171.20
Total financial assets	7635.13	7632.81	2.32	-	7635.13
Financial liabilities:					
Long term borrowings	-	-	-	-	-
Short term borrowings	3820.91	3820.91	-	-	3820.91
Trade payables	2804.90	2804.90	-	-	2804.90
Other financial liabilities	374.40	374.40	-	-	374.40
Total financial liabilities	7000.21	7000.21	-	-	7000.21

40 Capital Risk Management

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

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

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Long term borrowings	369.71	549.71	-
Current maturities of long term debt and finance lease obligations	227.64	140.82	-
Short term borrowings	3799.22	3659.48	3820.91
Less: Cash & Cash Equivalents	53.12	38.34	69.46
Less: Bank balances other than cash and cash equivalents	-	-	-
Less: Current investments	1.23	1.11	0.56
Net debt (A)	4450.93	4389.46	3890.92
Equity Share Capital	1755.41	1755.41	1755.41
Other Equity	(3718.44)	(1075.46)	1273.59
Total Capital (B)	(1963.03)	679.96	3029.00
Capital & Net debt (C = A+B)	2487.89	5069.42	6919.93
Gearing Ratio (A / C)	178.90%	86.59%	56.23%

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

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

41 Fair Value of Financial Assets & Liabilities

		As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
		Carrying Amt.	Fair Value	Carrying Amt.	Fair Value	Carrying Amt.	Fair Value
A. Financial Assets							
	(i) At fair value through statement of Profit & Loss						
	Investments						
	a) IDBI Shares	1.23	1.23	1.11	1.11	0.56	0.56
	b) Trade Receivables	3246.68	3246.68	3350.10	3350.10	4388.92	4388.92
	Total	3247.91	3247.91	3351.21	3351.21	4389.48	4389.48
B. Financial Liabilities							
	(i) At fair value through statement of Profit & Loss						
		-	-	-	-	-	-
	Total	-	-	-	-	-	-

Fair Valuation Techniques

1. Fair Value of Investments in quoted shares are based on the prevailing market price at the reporting date.
2. Fair Value of Trade receivables is derived after considering the expected losses of these receivables using the ECL model prescribed under IND AS 109.

42 Other Comprehensive Income (OCI)

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

	Retained Earnings		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Remeasurement gains/(Losses) on defined benefit plans	5.13	0.75	18.36
Tax Impact on Remeasurement gains/(Losses) on defined benefit plans	-1.29	-0.19	-4.62
	3.84	0.56	13.74

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

Unit	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
43 CIF Value of Imports						
Components and Spare Parts		-		8.94		10.64
Capital Goods		45.72		43.20		-
Unit	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)	Quantity	Amount (Rs. in Lakhs)
44 Expenditure in Foreign Currency						
Travelling		-		-		3.37
Others		-		-		-
45 Earnings in Foreign Exchange						
FOB Value of Exports		-		-		-

46 Forward Contracts and Unhedged Foreign Currency Outstanding Balances

The company has not executed any forward contract for hedging exchange rate risk; the outstanding unhedged foreign currency balances as on 31st March, 2022 are as under:

- (a) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at the Balance Sheet date are as follows:

Particulars	As at 31st March, 2022		As at 31st March, 2021		As at 31st March, 2020	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Receivables						
US Dollar	-	-	-	-	-	-
Payables #	-	-	-	-	-	-

- # There is no amount payable in foreign currency outstanding as on 31st March, 2022.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

47 Employee Benefits

Gratuity:

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

The company has classified various employee benefits as under:

(A) Defined Contribution Plans

The company has recognised the following amounts in the Statement of Profit and Loss for the year:

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Amount (Rs. in Lakhs)		Amount (Rs. in Lakhs)		Amount (Rs. in Lakhs)	
(i) Contribution to Provident Fund	14.63		10.98		22.47	
(ii) Contribution to Employees' State Insurance Scheme	2.71		2.10		6.00	

(B) Defined Benefit Plan

Valuation in respect of Gratuity has been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity
(a) Discount Rate	6.96%	6.96%	6.44%	6.44%	6.65%	6.65%
(b) Salary Increase Rate	5.00%	5.00%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%	Next year 0%, thereafter 5%

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment Amount (Rs. in Lakhs)	Gratuity Amount (Rs. in Lakhs)	Leave Encashment Amount (Rs. in Lakhs)	Gratuity Amount (Rs. in Lakhs)	Leave Encashment Amount (Rs. in Lakhs)	Gratuity Amount (Rs. in Lakhs)

(i) Changes in the Present Value of Obligation

(a) Opening Present Value of Obligation	19.47	79.29	16.92	83.39	21.37	90.35
(b) Interest Cost	1.03	4.51	0.89	4.92	1.32	6.00
(c) Past Service Cost	-	-	-	-	-	-
(d) Current Service Cost	8.44	11.75	3.56	11.18	4.61	12.16
(e) Benefits Paid	(0.88)	0.00	(1.88)	(19.05)	(1.67)	(11.75)
(f) Actuarial (Gain)/Loss	(2.09)	(4.73)	(0.02)	(1.15)	(8.70)	(13.38)
(g) Closing Present Value of Obligation	25.96	90.82	19.47	79.29	16.92	83.39

(ii) Changes in the Fair Value of Plan Assets

(a) Opening Fair Value of Plan Assets	-	44.66	-	55.60	-	53.59
(b) Expected Return on Plan Assets	-	2.88	-	3.70	-	3.99
(c) Actuarial Gain/(Loss)	-	0.41	-	(0.41)	-	(0.18)
(d) Employers' Contributions	-	-	-	4.82	-	9.94
(e) Benefits Paid	-	-	-	(19.05)	-	(11.75)
(f) Closing Fair Value of Plan Assets	-	47.94	-	44.66	-	56

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
(iii) Amount recognised in the Balance Sheet						
(a) Present Value of Obligation as at the year end	25.96	90.82	19.47	79.29	16.92	83.39
(b) Fair Value of Plan Assets as at the year end	-	47.94	-	44.66	-	55.60
(c) (Asset)/Liability recognised in the Balance Sheet	25.96	42.88	19.47	34.64	16.92	27.80

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
(iv) Expenses recognised in the Statement of Profit and Loss						
(a) Current Service Cost	8.44	11.75	3.56	11.18	4.61	12.16
(b) Past Service Cost	-	-	-	-	-	-
(c) Interest Cost	1.03	4.51	0.89	4.92	1.32	6.00
(d) Expected Return on Plan Assets	-	(2.88)	-	(3.70)	-	(3.99)
(e) Net Actuarial (Gain)/Loss	(2.09)	-	(0.02)	-	(8.70)	-
Total Expenses recognised in the Statement of Profit and Loss						

7.38	13.38	4.43	12.40	(2.78)	14.17
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	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity
	Encashment	Amount	Encashment	Amount	Encashment	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
(v) Amount recognised in other Comprehensive Income						
(a) Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	-	-	-	-	-	(0.02)
(b) Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	-	(0.90)	-	1.11	-	0.92
(c) Actuarial (Gain) / Loss due to Experience on DBO	-	(3.82)	-	(2.26)	-	(14.27)
(d) Return on Plan Assets (Greater) / Less than Discount rate	-	(0.41)	-	0.41	-	0.18
(e) Changes in asset ceiling/onerous liabilities (excluding interest income)	-	-	-	-	-	-
(f) Total Actuarial (Gain)/Loss included in OCI	-	(5.13)	-	(0.75)	-	(13.20)

Sensitivity Analysis:

Defined Benefit Obligation	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity
	Encashment		Encashment		Encashment	
Discount rate						
a. Discount rate - 100 basis points	22.26	88.91	20.29	79.26	17.55	83.65
a. Discount rate - 100 basis points impact (%)	6.31%	7.11%	6.26%	7.62%	6.03%	7.58%
b. Discount rate + 100 basis points	19.78	77.79	18.05	68.69	15.66	72.54
b. Discount rate + 100 basis points impact (%)	-5.52%	-6.28%	-5.50%	-6.73%	-5.34%	-6.71%
Salary increase rate						
a. Rate - 100 basis points	19.75	77.65	18.02	68.56	15.65	72.46
a. Rate - 100 basis points impact (%)	-5.67%	-6.45%	-5.65%	-6.91%	-5.42%	-6.81%
b. Rate + 100 basis points	22.27	88.97	20.31	79.14	17.56	83.40
b. Rate + 100 basis points impact (%)	6.37%	7.18%	6.35%	7.46%	6.11%	7.27%

A note on Sensitivity analysis-

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes

The Mortality and Attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis

The assumptions used in preparing the sensitivity analysis is

Discount rate at +1% and – 1% (for Gratuity) & Discount rate at +100 bps and –100 bps (for Leave Encashment)

Salary assumption at +1 % and -1%

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year

Maturity Profile of Defined Benefit Obligation

	For the year ended 31st March, 2022		For the year ended 31st March, 2021		For the year ended 31st March, 2020	
	Leave	Gratuity	Leave	Gratuity	Leave	Gratuity
	Encashment		Encashment		Encashment	
Expected Future Cashflows						
Year 1	6.76	12.99	6.13	7.39	6.46	7.64
Year 2	1.49	6.70	1.30	8.76	0.93	6.67
Year 3	1.43	8.10	1.27	5.78	0.91	8.76
Year 4	1.35	8.54	1.12	6.71	0.91	6.05
Year 5	1.92	7.91	1.11	7.18	0.91	8.30
Year 6 to 10	7.36	39.50	6.17	28.45	5.55	35.46
Above 10 years	15.83	64.14	14.98	65.80	11.07	65.49
Average Expected Future Working life (Years)	9.26	9.58	9.26	9.98	9.40	9.85

* Source: Independent Actuarial Valuation Report on Leave Encashment and Gratuity

NOTE:

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

48 Related Party Disclosures

The Disclosures of Transaction with the related parties as defined in the Indian Accounting Standard are as follows:

Name of Related Parties & their Relationship

1 Key Management Personnel

- a. Mr. Pawan Agarwal - Chairman
- a1. Relatives of Key Management Personnel:
1. Mr. Rajendra Agarwal (Brother)
 2. Mrs. Pramila Agarwal (Sister-in-law of Pawan Agarwal)
 3. Mrs. Shalini Agarwal (Wife of Pawan Agarwal)
 4. Mrs. Archana Agarwal (Wife of Rajendra Agarwal)
 5. Mr. Harsh Agarwal (Son of Pawan Agarwal)
 6. Mr. Tanay Agarwal (Son of Pawan Agarwal)
 7. Mr. Tanuj Agarwal (Son of Pawan Agarwal)
- a2. Enterprises under Common control of the Promoters
1. Intime Knits Pvt. Ltd.
 2. Black Gold Leasing Pvt. Ltd.
 3. R. Piyarellal Pvt. Ltd.
 4. Suditi Design Studio Ltd.
 5. Suditi Sports Apparels Ltd.
 6. SAA & Suditi Retail Pvt. Ltd.
 7. BLR Knits Pvt. Ltd.
- b. Mr. Rajagopal Raja Chinraj - Wholetime Director
(Not related to Promoter/Promoter Group)
- b1. Relatives of Key Management Personnel:
1. Mrs. Anita Chinraj (Wife of Rajagopal Raja Chinraj)
- b2. Enterprises under Common control of the Wholetime Director
1. Chendur Dress Manufacturers Pvt. Ltd.
 2. Chendur Enterprises
 3. Chendur Inc.
 4. Ve Laxmi Exim LLP
- c. Mr. Vivek Gangwal - Independent Director
- c1. Relatives of Key Management Personnel:
1. Mrs. Priya Gangwal (Wife of Vivek Gangwal)
- c2. Enterprises under Common control of the Independent Director
1. Soba Infosec Pvt. Ltd.
 2. Shree Swami Leela Developers Pvt. Ltd.
- d. Mrs. Sanjula Sanghai - Independent Director (Women)
- d1. Relatives of Key Management Personnel:
1. Mr. Sushil Sanghai (Husband of Sanjula Sanghai)
- d2. Enterprises under Common control of the Independent Director
1. Balaji Prints Ltd.
 2. Provincial Housing and Property Ltd.
 3. Citer Holdings Pvt. Ltd.
 4. White Rose Finvest Pvt. Ltd.
 5. Cipolin Investments Pvt. Ltd.
 6. Bow Balaleshwar Minings Pvt. Ltd.
 7. Polki Jewels LLP
 8. Fresh India Organics Import Export LLP
- e. Mr. H. Gopalkrishnan - Company Secretary
- e1. Relationship - Not related to Promoter or any Director
- e2. Enterprises - Nil

2 Terms and conditions of transactions with related parties

The sales to and purchase from related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

3 Disclosure of transactions between the company and related parties

Amount (Rs. in Lakhs)

	For ended 2022	year March 2021	For ended 2021	year March 2020	For ended 2020	year March 2019
a) Key Management Personnel - Remuneration						
1. Shri Pawan Agarwal	-	-	-	-	-	-
2. Shri Rajagopal Raja Chinraj *	19.63	16.10	19.77	14.18		
3. Shri H. Gopalkrishnan **	13.93	9.18				

* Shri Rajagopal Raja Chinraj has been inducted as Wholetime Director w.e.f. 01/06/2018 and accordingly the details are furnished from the date of his appointment.

** Shri H. Gopalkrishnan has been allotted share under ESOP and impact of the benefit is added in the salary for the year ended March 2019.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

b) Transactions with related parties:

Suditi Industries Limited

Amount (Rs. in Lakhs)

Description	Joint Ventures			Relatives of KMPs			Entities in which a director or his/her relative is a member or director		
	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020
a) Sale of Goods/Related Services									
1 Intime Knits Pvt. Ltd.							699.71	152.16	256.50
2 BLR Knits Pvt. Ltd.							-	-	-
3 SAA & Suditi Retail Pvt. Ltd.	2.54	17.37	137.36						
4 Black Gold Leasing Pvt. Ltd.							-	47.76	-
5 Chendur Dress Manufacturers Pvt. Ltd.							48.27	63.45	135
b) Purchase of Goods									
1 Intime Knits Pvt. Ltd.							1.30	2.60	-
2 R. Piyarellal Pvt. Ltd.							-	-	-
3 Chendur Dress Manufacturers Pvt. Ltd.							1.49	-	18.39
4 SAA & Suditi Retail Pvt. Ltd.	-	31.69	1.36						
5 Black Gold Leasing Pvt. Ltd.							7.50	29.28	-
c) Expenses towards Services received									
1 Intime Knits Pvt. Ltd.							0.41	-	-
2 Black Gold Leasing Pvt. Ltd.							546.35	157.00	136.68
3 R. Piyarellal Pvt. Ltd.							1.86	10.04	21.82
4 BLR Knits Pvt. Ltd.							0.88	2.06	-
5 Chendur Dress Manufacturers Pvt. Ltd.							31.99	14.53	35.70
6 Chendur Enterprises							6.52	4.53	6.03
7 Chendur Inc.							5.96	4.99	5.95
8 Ve Laxmi Exim LLP							7.78	6.63	7.78
9 SAA & Suditi Retail Pvt. Ltd.	-	-	1.49						
10 Suditi Design Studio Ltd.									
11 Mr. Harsh Pawan Agarwal				22.96	15.00	18.15			
d) Balance Outstanding as at the year end									
1 BLR Knits Pvt. Ltd. (Receivable)							2.07	-	-
2 Intime Knits Pvt. Ltd. (Net Receivable)							-	-	-
3 Intime Knits Pvt. Ltd. (Net Payable)							1297.97	400.80	320.09
4 Black Gold Leasing Pvt. Ltd. (Deposits Receivable)							303.81	303.81	303.81
5 Black Gold Leasing Pvt. Ltd. (Payable)							16.89	308.33	0.00
6 Black Gold Leasing Pvt. Ltd. (Receivable)							47.76	47.76	131.75
7 Black Gold Leasing Pvt. Ltd. (Unsecured Loan)							450.00	-	-
8 R. Piyarellal Pvt. Ltd. (Payable)							24.90	46.04	36.00
9 SAA & Suditi Retail Pvt. Ltd. (Receivable)	716.62	585.75	324.86						
10 Chendur Dress Manufacturers Pvt. Ltd. (Payable)							38.48	53.19	61.32
11 Chendur Dress Manufacturers Pvt. Ltd. (Payable)							20.31	8.14	23.82
12 Chendur Enterprises (Payable)							2.00	1.51	1.50
13 Chendur Inc. (Payable)							1.99	2.00	1.48
14 Ve Laxmi Exim LLP (Payable)							2.59	2.65	1.94
e) Loan Taken									
1 Black Gold Leasing Pvt. Ltd. (Unsecured Loan)							450.00	-	-
2 Shri Pawan Agarwal (Unsecured Loan)							750.00	-	-

* The figures are re-grouped / re-arranged and re-classified wherever necessary.

Related parties of Subsidiaries

Suditi Design Studio Ltd.

Amount (Rs. in Lakhs)

Description	Joint Ventures			Relatives of KMPs			Entities in which a director or his/her relative is a member or director		
	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020
a) Sale of Goods/Related Services									
1 Intime Knits Pvt. Ltd.							-	-	-
2 SAA & Suditi Retail Pvt. Ltd.							-	-	-
b) Purchase of Goods									
1 SAA & Suditi Retail Pvt. Ltd.							-	33.49	-
c) Expenses towards Services received									
1 Intime Knits Pvt. Ltd.							-	-	-
2 R. Piyarellal Pvt. Ltd.							-	-	-
3 SAA & Suditi Retail Pvt. Ltd.							-	-	-
d) Balance Outstanding as at the year end									
1 Intime Knits Pvt. Ltd. (Net Payable)							127.41	127.41	247.76
2 Black Gold Leasing Pvt. Ltd. (Payable)							-	-	124.35
3 R. Piyarellal Pvt. Ltd. (Payable)							23.47	23.47	222.00
4 SAA & Suditi Retail Pvt. Ltd. (Payable)							40.88	38.88	6.01

Suditi Sports Apparel Ltd.

Amount (Rs. in Lakhs)

Description	Joint Ventures			Relatives of KMPs			Entities in which a director or his/her relative is a member or director		
	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020	For year ended March 2022	For year ended March 2021	For year ended March 2020
a) Sale of Goods/Related Services									
1 Intime Knits Pvt. Ltd.							7.37	-	-
b) Purchase of Goods									
1 Black Gold Leasing Pvt. Ltd.							(4.83)	41.07	-
c) Expenses towards Services received									
d) Balance Outstanding as at the year end									
1 Black Gold Leasing Pvt. Ltd. (Payable)							-	49.47	8.40
2 Black Gold Leasing Pvt. Ltd. (Receivable)							8.91	-	-
3 SAA & Suditi Retail Pvt. Ltd. (Receivable)							-	0.92	-
4 SAA & Suditi Retail Pvt. Ltd. (Payable)							14.89	-	-
5 R. Piyarellal Pvt. Ltd. (Payable)							5.48	-	-
6 Intime Knits Pvt. Ltd. (Net Payable)							61.51	6.75	-

* Purchase of Goods is negative on account of return of goods.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

- c) Following are inter-company transactions with the Company eliminated on consolidation and disclosed as per requirement of SEBI ICDR regulations

Related party transactions for the year ended March 31, 2022		Amount (Rs. in Lakhs)	
Particulars	Wholly owned subsidiaries	owned	Joint Ventures
Transactions during the period			
Sale of Goods/Related Services		297.86	2.54
Purchase of Goods		10.81	-
Payment for Services Received		-	-
Balance Outstanding as at the year end			
Trade receivable		903.16	716.62

Related party transactions for the year ended March 31, 2021		Amount (Rs. in Lakhs)	
Particulars	Wholly owned subsidiaries	owned	Joint Ventures
Transactions during the period			
Sale of Goods/Related Services		91.76	17.37
Purchase of Goods		40.41	31.69
Payment for Services Received		-	-
Balance Outstanding as at the year end			
Trade receivable		653.76	585.75

Related party transactions for the year ended March 31, 2020		Amount (Rs. in Lakhs)	
Particulars	Wholly owned subsidiaries	owned	Joint Ventures
Transactions during the period			
Sale of Goods/Related Services		-	137.36
Purchase of Goods		423.02	1.36
Payment for Services Received		-	1.49
Balance Outstanding as at the year end			
Trade receivable		227.30	324.86

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

49 Leases

The company has not entered into any Finance Lease or Operating Lease during the year. However, the company has entered into "Leave & License" arrangements with certain parties for Godowns & Garment Unit which are generally valid for a period less than one year. Accordingly, the provisions of IND AS 116 "Leases" is not applicable to the company.

50 Earnings per Share

Basic earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year. Diluted earnings per share has been calculated by dividing profit for the year attributable to equity shareholders, by the weighted average number of equity shares outstanding during the year and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. Dilutive potential equity shares that have been converted in to equity shares during the year are included in the calculation of diluted earnings per share from the beginning of the year to the date of conversion and from the date of conversion, the resulting equity shares are included in computing both basic and diluted earnings per share. Earnings per Share has been computed as under:

	<u>For the year ended 31st March, 2022</u>	<u>For the year ended 31st March, 2021</u>	<u>For the year ended 31st March, 2020</u>
Profit for the year (Amount (Rs. in Lakhs))	-2,634	-2,355	-1,019
Weighted average number of Shares for Basic Earnings per Share	1,75,54,123	1,75,54,123	1,75,54,123
Add: Effect of Dilutive Potential Shares (Share Warrants)	-	-	-
Add: Effect of Dilutive Potential Shares (Employee Stock Options)	-	-	-
Add: Effect of Dilutive Fully Convertible Debentures	-	-	-
Weighted average number of Shares for Diluted Earnings per Share	1,75,54,123	1,75,54,123	1,75,54,123
Earnings per Share (Rs. per Equity Share of Rs. 10 each)			
Basic	-15.00	-13.42	-5.81
Diluted	-15.00	-13.42	-5.81

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

	As at		As at		As at	
	31st March, 2022		31st March, 2021		31st March, 2020	
	Amount	Amount	Amount	Amount	Amount	Amount
	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
51 Contingent Liabilities						
(a) Claims against the company not acknowledged as debts						
(i) Sales tax/ CST / VAT matters	177.21		459.76		459.76	
(ii) Excise matters	32.09		32.09		30.84	
(iii) Professional Tax	20.06		-		-	
(iv) Local Body Tax	76.18		-		-	
(v) Income tax matters	-		-		-	
		<u>305.54</u>		<u>491.84</u>		<u>490.59</u>

Note:

- Future cash outflows in respect of (a)(i) above is determinable only on receipt of judgments/decisions pending with various authorities/forums and/or final outcome of the matters. Accordingly, no provision in the accounts has been made as management is confident that these matters would be decided in the company's favour.
- The aforesaid amount referred to in (a)(i) above is inclusive of interest and other penalties/levies.

Capital Commitments

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

52 Segment Reporting

The Company is primarily in the business of manufacturing and sales of textile products (i.e., Fabrics and Garments). The Chief Operating Decision Maker (CODM), the Chairman & Managing Director, performs a detailed review of the operating results, takes decisions about the allocation of resources based on the analysis of the various performance indicators of the Company as a whole. Therefore, there is only one operating segment namely, "Textiles".

53 COVID-19

Even though there is some respite from the disruptions due to Covid 19 impact in the business particularly from the last quarter, it has already created serious crisis in the economies of many countries. Added to this the global economic and business environment is also severely impacted due to the ongoing armed conflict in the Eastern European region. The country is not completely free from the COVID 19 pandemic and its impact still continues to affect the business prospects adversely. The Global supply chain is again adversely impacted due to spread of virus in China and its neighbouring regions. Because of the surge in the pandemic there is a huge uncertainty with respect to its longevity, severity, and fall out in the post pandemic period which cannot be reasonably ascertained. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 31st March, 2022 in the best possible manner.

However, the impact assessment due to COVID-19 is still an on-going process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves.

54 The Company can exercise the option permitted under Section 115 BAA of the Income Tax Act, 1961 as promulgated by the Taxation Laws (Amendment) Ordinance, 2019. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus sc of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2020-21 (AY 2021-22) onwards if such domestic companies adhere to certain condition and do not avail any exemptions/incentives under different provisions of income tax like Claiming a set-off of any loss carried forward or depreciation from earlier years, if such losses were incurred in respect of the aforementioned deductions. Since the Company has incurred losses the need for making any provision for Income Tax does not arise for F.Y. 2020-21.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

55 As per provisions of Section 135 of the Companies Act 2013, the company needs to compute its obligations under Corporate Social Responsibility (CSR). Due to the continued losses made by the company in the last 2 years, there is no obligation towards CSR. The matters pertaining to the prior years are stated below :

- i) The obligation towards CSR for FY 2018-19 was determined at Rs.9.51 lakhs which has remained unspent. In terms of the regulatory provisions prevailing at that time, the said amount was not required to be deposited in a specified bank account & was allowed to be utilised at a future date.
- ii) The obligation towards CSR for FY 2019-20 was determined at Rs.7.19 lakhs. The company spent an amount of Rs.9.75 lakhs through donation to a specified organisation. The excess amount of Rs.2.56 lakhs has been carried forward to be set off against future obligations.

56 During the year 2019-20, the Excise Assistant Commissioner (Refund) Central Excise - Belapur division has filed an appeal against the company claiming back the refund of the CENVAT dues amounting to Rs.3083919/- paid by the Excise department based on the order issued by the Excise Appellate Tribunal. The order issued by the Commissioner Appeals favoring the department is challenged by the company in the Excise Tribunal since CENVAT balance cannot be utilized by the company in the form of credit. Therefore the company in view of the favorable judgments by the respective appellate tribunals as well as rejection of the appeal of the department by the Honorable Apex Court which is contingent upon the Tribunals rejecting the claim of the Excise Assistant Commissioner (Refund) Central Excise-Belapur division and based on the facts, Management is expecting a favourable outcome from the Tribunal.

57 Physical verification of inventory was conducted by the Internal Auditor (an external Chartered Accountant firm appointed by the company) along with a team member of the Statutory Auditors on a periodically basis. Each item was physically examined in the presence of the company's team and any difference or variation was rectified on the spot. Only unresolved items are listed out and discussed separately with the Chief Executive Officer of the company. The report was presented before the Audit committee and also commended to the Board for noting.

58 During the year 2021-22 the company has started liquidating the old inventory accumulated due to the impact of COVID 19 pandemic and the lock down imposed on account of the pandemic. The company had to offer huge discounts, rebates and other forms of price concessions to liquidate the old inventory of finished goods as the goods have become unsaleable at market prices due to change in fashions and trends. Since the company has incurred substantial losses while disposing of the old stock, the management has decided to value the balance remaining inventory at the best saleable price ranges. Accordingly the company had to make necessary provision to account for the probable loss that may occur while disposing the stock during the current year. The company has made necessary provision amounting to Rs.763.47 lakhs and presented it in the financial statements under the head—"exceptional items".

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

- 59** Credit loss is calculated on the basis of actual outstanding receivables based on the age wise analysis and also based on the past three year's average. Accordingly a certain specified percentage of the amount arrived based on the three years average is computed and provided in the books. As per the prevailing trend and past experience the computed amount has been provided in the books.
- 60** The subsidiary company, M/s. Suditi Sports Apparel Limited, has commenced the business activities in full swing and has reported a profit of Rs.24.67 lakhs for the year ended 31st March 2022. The company uses the online platform for the sales operations and deals in the apparel business exclusively related to the sport and other sports related activities. The company has executed various licentiate agreements with renowned sports clubs and entities during the year under review and continues the same with a view to enhance the production and sales of apparels and garments of various designs and styles. However, the company had to absorb the impact of the COVID 19 pandemic in the sales business particularly during the period up to the third quarter. However, since the situation is gradually stabilizing, the management is anticipating better prospects in the coming years. Accordingly, it is considered appropriate at this juncture to treat the company as a going concern.
- 61** The other subsidiary M/s. Suditi Design Studio Limited even though has commenced the business in full swing from 2015-16 itself, the company is not able to record adequate sales business due to the effect COVID 19 pandemic. Since the company registered significant losses due to depletion in the value of finished goods stock as on 31st. March 2022, the net worth of the company is completely eroded due to the loss. The scope for any immediate revival is not possible as the country is not completely free from the impact of the COVID 19 pandemic. In view of this the management has decided to value the remaining finished goods inventory at cost price and accordingly made necessary provision amounting to Rs.136.97 lakhs towards depletion in the value of the old inventory which is reflected in the accounts under the head "exceptional items". Considering the evolving situation, the holding company has decided to make the company a wholly owned subsidiary and accordingly has acquired the remaining 1.15% equity from the promoters of the subsidiary at face value amounting to Rs.1 lakh. The process of conversion of the partly owned subsidiary company into wholly owned subsidiary is now complete. With the improvement in market sentiments, there are reasonably good chances of better sales in the current year. Accordingly the management has considered it appropriate to continue the company as a going concern.
- 62** The joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. has prepared the financial results on a going concern basis as it is a vibrant brand promoted by the celebrity actresses Ms. Anushka Sharma and her family jointly with the the company viz. M/s. Suditi Industries Limited which is an established quality fabric and garment manufacturer. Due to adverse market conditions, the joint venture company has decided to dispose off its old inventory lying unsold for more than 2 years. Consequently, the management has decided to write down the inventory to account for the depletion in its value and has made necessary provision amounting to Rs.507.25 lakhs for the year ended 31st March 2022. Further, since the present conditions are temporary in nature and as the management is confident of turning the corner it has decided to treat the company as a going concern.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

63 Other disclosures as required by the amendments made in Schedule III of the Companies Act, 2013

- (a) The Company did not hold any benami property during the year.
- (b) The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
- (c) The Company did not have any transactions with struck off companies during the year under Section 248 or 560 of the Companies Act, 2013.
- (d) No loans/advances were given to promoters, directors, KMPs & other related parties that were payable on demand or without specifying any terms & conditions.
- (e) Neither any charges were created on the assets of the company during the year with the Registrar of companies nor was satisfaction of any charge pending beyond the stipulated period.
- (f) The Company did not deal in any manner whatsoever with crypto currency/virtual currency during the year.
- (g) The Company has not advanced/loaned/invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (h) The Company has not received funds from any other person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (i) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 such as search, survey or any other provisions of the Income Tax Act, 1961.
- (j) The Company has used borrowings from Banks and Financial Institutions for the specific purpose for which it was obtained.
- (k) Quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with the books of accounts.
- (l) The title deeds of all immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work in process are held in the name of the Company as at the Balance Sheet date.

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

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

Year ended 31/03/2022

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
1	2	3	4	5	6	7	8	9
Parent:								
Suditi Industries Limited	33.66%	(221.44)	82.65%	(2900.11)	100.00%	3.84	97.12%	(2896.27)
Subsidiaries:								
Indian:								
1. Suditi Sports Apparel Limited	(29.08%)	191.33	(0.70%)	24.67	-	-	(0.83%)	24.67
2. Suditi Design Studio Limited	75.94%	(499.58)	3.15%	(110.58)	-	-	3.71%	(110.58)
Foreign:								
Minority Interests in all subsidiaries	(11.84%)	77.87	0.26%	(9.01)	-	-	-	-
Associates (Investment as per the equity method)								
Indian								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Joint Ventures (as per proportionate consolidation/investment as per the equity method)								
Indian								
1. SAA & Suditi Retail Pvt. Ltd.	-	-	14.79%	(518.85)	-	-	-	-
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Eliminations	31.31%	(206.00)	(0.14%)	5.00				
	100.00%	(657.83)	100.00%	(3508.88)	100.00%	3.84	100.00%	(2982.18)

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

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

Year ended 31/03/2021

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
1	2	3	4	5	6	7	8	9
Parent:								
Suditi Industries Limited	123.96%	2,677.01	66.60%	-1,528.23	100.00%	0.56	86.55%	-1,527.67
Subsidiaries:								
Indian:								
1. Suditi Sports Apparel Limited	(1.31%)	-28.34	0.84%	-19.30	-	-	1.09%	-19.30
2. Suditi Design Studio Limited	(18.01%)	-389.00	9.51%	-218.12	-	-	12.36%	-218.12
Foreign:								
Minority Interests in all subsidiaries	(0.47%)	-10.14	0.28%	-6.37	-	-	-	-
Associates (Investment as per the equity method)								
Indian								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Joint Ventures (as per proportionate consolidation/investment as per the equity method)								
Indian								
1. SAA & Suditi Retail Pvt. Ltd.	-	-	22.99%	-527.54	-	-	-	-
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Eliminations	(4.17%)	-90.00	(0.22%)	5.00				
	100.00%	2,159.52	100.00%	-2,294.56	100.00%	0.56	100.00%	-1,765.09

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

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

Year ended 31/03/2020

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs. in Lakhs)	As % of consolidated profit or loss	Amount (Rs. in Lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in Lakhs)	As % of total comprehensive income	Amount (Rs. in Lakhs)
1	2	3	4	5	6	7	8	9
Parent:								
Suditi Industries Limited	107.88%	3,745.01	(9.02%)	11.87	100.00%	13.74	(55.68%)	25.61
Subsidiaries:								
Indian:								
1. Suditi Sports Apparel Limited	(0.26%)	-9.04	7.64%	-10.06	-	-	21.86%	-10.06
2. Suditi Design Studio Limited	(4.92%)	-170.89	46.75%	-61.56	-	-	133.82%	-61.56
Foreign:								
Minority Interests in all subsidiaries	(0.11%)	-3.77	2.90%	-3.81	-	-	-	-
Associates (Investment as per the equity method)								
Indian								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Joint Ventures (as per proportionate consolidation/investment as per the equity method)								
Indian								
1. SAA & Suditi Retail Pvt. Ltd.	-	-	55.54%	-73.14	-	-	-	-
2.	-	-	-	-				
3.	-	-	-	-				
Foreign:								
1.	-	-	-	-				
2.	-	-	-	-				
3.	-	-	-	-				
Eliminations	(2.59%)	-90.00	(3.80%)	5.00				
	100.00%	3,471.31	100.00%	-131.69	100.00%	13.74	100.00%	-46.00

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

67 The Financial results have been presented in accordance with the amended Division II of Schedule III to the Companies Act, 2013. Certain Balances of assets and liabilities as at March 31, 2022 have been regrouped/reclassified, wherever necessary, to comply with the amended Division II of Schedule III. Such reclassifications did not have a material impact on the financial results.

68 Events after the reporting date

No other adjusting or significant non-adjusting events has occurred between the reporting date (31st March, 2022) and the report release date (30th May, 2022) except the following :

- (a) Suditi Design Studio Limited has become a wholly owned Subsidiary (100%, Previously 98.85%) of the company after the reporting date upon compliance of pending formalities.

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

Signatures to Notes 1 to 69

The accompanying notes are an intergral part of the consolidated financial statements.
As per our report of even date

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

For and on behalf of Board of Directors
Right Issue Committee

Siddharth P Punamiya
Partner
(Membership No.148540)
Mumbai, 30th August, 2022

Pawan Agarwal
Chairman
DIN: 00808731
Navi Mumbai, 30th August, 2022

Rajagopal Raja Chinraj
Executive Director & CEO
DIN: 00158832

Annexure VII - Notes to Restated Consolidated Summary Financial Statements

OTHER FINANCIAL INFORMATION

In accordance with the SEBI ICDR Regulations:-

- * The standalone audited financial statements of our Company for Fiscal 2020, 2021 and 2022;
- * The audited financial statements of Suditi Sports Apparel Limited for Fiscal 2020, 2021 and 2022;
- * The audited financial statements of Suditi Design Studio Limited for Fiscal 2020, 2021 and 2022;

(Collectively, the "Audited Standalone Financial Statements") are available on our website at www.suditi.in.

Our Company is providing these links to its website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Company's financial statements and the Subsidiary's financial statements do not constitute, (i) a part of this Draft Letter of Offer; or (ii) an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or an offer letter to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the World. The Company's financial statements and the Subsidiary's financial statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, or any entity in which its shareholders have significant influence (collectively, the "Group" and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor the Lead Manager or the Promoters, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Company's financial statements and the Subsidiary's financial statements, or the opinions expressed therein.

CHATURVEDI & PARTNERS

Mob.: 9819326977

Tel.: 2202 0687

CHARTERED ACCOUNTANTS

Office No. 404, Apollo Complex, R.K. Singh Marg, Off. Parsi Panchayat Road, Andheri (East), Mumbai - 400 069.

E-mail : candp1977@gmail.com

Ref.No. 220810/009/R

Independent Auditor's Review Report on the Consolidated unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

TO THE BOARD OF DIRECTORS OF SUDITI INDUSTRIES LIMITED

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results ('the Statement') of SUDITI INDUSTRIES LIMITED ('the Parent') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its joint venture company (refer to para 4 for the list of subsidiaries and joint venture company included in the Statement) for the year to date ended 30th June, 2022 being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the Securities and Exchange Board of India ('SEBI') from time to time.

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and as per presentation requirements of SEBI Circular dated 5th July, 2016 (hereinafter referred to as "the Circular") and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. The Statement includes the results of the following entities:

- i) Suditi Design Studio Limited---Subsidiary
- ii) Suditi Sports Apparel Limited---Subsidiary
- iii) SAA & Suditi Retail Pvt. Limited---Joint Venture



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5. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act and as per presentation requirements of the SEBI Circular and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The following emphasis of matter was included in the review reports dated August 10, 2021, issued by an independent firm of Chartered Accountants on the financial results of Suditi Design Studio Limited, a subsidiary of the Parent, reproduced as under:

Suditi Design Studio:

"We draw attention to Note 3 of the Statement which indicates that the Company has incurred a net loss of Rs. 0.34 lakhs during the current quarter. The Company has accumulated losses of Rs.586.93 lakhs and its individual net worth has been fully eroded as at June 30, 2022. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our conclusion is not modified in respect of this matter."

7. a) We did not review the interim financial information of two subsidiaries included in the Statement, whose financial information reflect total revenues of Rs.386.30 lakhs for the quarter ended 30th June, 2022; total net loss of Rs.2.36 lakhs for the quarter ended 30th June, 2022 and total comprehensive loss of Rs.2.36 lakhs for the quarter ended on 30th June, 2022 as considered in the Statement. These interim financial information have been reviewed by other auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

b) The interim financial information contained in the Statement also includes the Groups share of net loss of Rs. 0.22 lakhs (including other comprehensive income/loss) for the quarter ended 30th June, 2022, as considered in the consolidated Ind AS financial Statement, in respect of one joint venture, whose financial statements and other financial information has been reviewed by the other auditor and whose report has been furnished to us by the Management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of the joint venture is based solely on the review report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

8. We draw your attention to Note 10 to these consolidated financial results which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the financial results, however, in view of various preventive measures taken and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.



9. Attention is drawn to the fact that the figures for the 3 months ended 31st March, 2022 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

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



(Siddharth Punamiya)
Partner
(Membership No.: 148540)

ICAI UDIN: 22148540AOTSIV8699

Place: Mumbai
Date: 10th August, 2022

SUDITI INDUSTRIES LIMITED

Registered Office: C-253/254, M.I.D.C., T.T.C. Industrial Area, Pawne Village, Turbhe, Navi Mumbai - 400 705.
CIN: L19101MH1991PLC063245
Tel: 67368600/10. E-mail: cs@suditi.in Website: www.suditi.in

Un-audited Statement of Consolidated Financial Results for the quarter ended 30th June, 2022

(Rs. in Lakhs except earning per share)

Sr. No.	Particulars	(Un-audited)	(Un-audited)	(Un-audited)	(Audited)
		Quarter ended 30.06.2022	Quarter ended 30.06.2021	Quarter ended 31.03.2022	Year ended 31.03.2022
(1)	(2)	(3)	(4)	(5)	(6)
1	Revenue from operations (Net)	3,061.68	1,937.47	2,524.74	10,328.32
2	Other Income	8.91	5.09	28.39	85.64
3	Total Revenue (1+2)	3,070.59	1,942.56	2,553.13	10,413.96
4	Expenses				
	a) Cost of materials consumed	1,609.78	1,439.33	1,575.19	6,745.72
	b) Purchases of stock-in-trade	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	205.20	(408.23)	1,470.13	537.80
	d) Employee benefits expense	213.15	132.76	227.04	707.90
	e) Finance costs	92.21	117.20	129.47	452.15
	f) Depreciation and amortisation expense	35.48	33.44	34.93	136.57
	g) Other expenses	911.61	631.82	1,394.13	4,054.27
	Total expenses	3,067.43	1,946.32	4,830.89	12,634.41
5	Profit / (Loss) before exceptional and extraordinary items and tax (3-4)	3.16	(3.76)	(2,277.76)	(2,220.45)
6	Exceptional Items	-	-	763.47	763.47
7	Profit / (Loss) before extraordinary items and tax (5-7)	3.16	(3.76)	(3,041.23)	(2,983.92)
8	Extraordinary Items	-	-	-	-
9	Profit / (Loss) before tax (7-8)	3.16	(3.76)	(3,041.23)	(2,983.92)
10	Tax expense				
	(1) Current tax	-	-	-	-
	(2) Deferred tax	1.40	7.35	(2.34)	2.10
11	Profit / (Loss) for the period from continuing operations (after tax) before share of profits of joint ventures and associate (9-10)	1.76	(11.11)	(3,038.89)	(2,986.02)
12	Share of Profit / (Loss) of Joint Venture and Associate	(0.22)	(23.35)	(436.48)	(518.85)
13	Profit after tax and share of Profits / (Loss) of Joint Ventures and Associate (11-12)	1.54	(34.46)	(3,475.37)	(3,504.87)
	Net profit attributable to:				
	a) Owners	1.94	(39.14)	(3,484.23)	(3,513.88)
	b) Non-controlling interest	(0.40)	4.68	8.86	9.01
14	Other Comprehensive Income				
	(a) Items that will not be reclassified to Profit or Loss	-	-	5.13	5.13
	(b) Income tax relating to items that will not be reclassified to Profit or Loss	-	-	(1.29)	(1.29)
	(c) Items that will be reclassified to Profit or Loss	-	-	-	-
	(d) Income tax relating to items that will be reclassified to Profit or Loss	-	-	-	-
	Total other Comprehensive Income	-	-	3.84	3.84
15	Other Comprehensive Income attributable to:				
	a) Owners	-	-	3.84	3.84
	b) Non-controlling interest	-	-	-	-
16	Total Comprehensive Income (13+14)	1.54	(34.46)	(3,471.53)	(3,501.03)
	Total Comprehensive Income attributable to:				
	a) Owners	1.94	(39.14)	(3,480.39)	(3,510.04)
	b) Non-controlling interest	(0.40)	4.68	8.86	9.01
17	Paid-up equity share capital (Face Value of Rs.10/- per share)	1,755.41	1,755.41	1,755.41	1,755.41
18	Other Equity	-	-	-	(3,718.11)
19	Earnings per share (EPS) - Rs.10/- per share				
	a) Basic	0.01	(0.20)	(19.78)	(19.94)
	b) Diluted	0.01	(0.20)	(19.78)	(19.94)



Notes:

- 1) The above Un-Audited Financial Results for the quarter ended June, 2022 were reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 10th August, 2022. Further the statutory auditors have performed a "Limited Review" of the above Un-Audited Financial Results and their opinion is not modified.
- 2) The Company has prepared these Consolidated Financial Results in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.
- 3) In accordance with Ind AS 108 "Operating Segments", the Company has only one reportable Primary Business segment viz. Hosiery Fabrics and Garments. Further, the Company does not have separate identifiable bifurcation of Assets as the entire operations are undertaken for Hosiery Fabric/Garments only.
- 4) The sales business activities of subsidiary company, M/s. Suditi Sports Apparel Limited, is in full swing. It uses the online sales platform as the main source of sales business activities in the exclusively earmarked garment and apparel related to the sport and other sports related activities. The company continues to execute various licentiate agreements with renowned sports clubs and related entities.
- 5) The business prospects of the subsidiary company M/s. Suditi Design Studio Limited is adversely affected in view of the Covid 19 pandemic situation. Considering the economic situation prevailing in the country and the slump prevailing in the retail sector, the holding company has acquired the balance portion of the Equity capital held by other shareholders and accordingly the company has now become a wholly owned subsidiary company. This will help the subsidiary company to have access to better financial and marketing sources. Accordingly the management has considered it appropriate to continue the company as a going concern.
- 6) The joint venture company M/s. SAA & Suditi Retail Pvt. Ltd. has prepared the financial results on a going concern basis because of the brand value and the support extended by the celebrity actresses Ms. Anushka Sharma and also M/s. Suditi Industries Limited an established quality fabric and garment manufacturer. Accordingly, the management considers the present conditions as temporary in nature and has decided to maintain the decision of considering it as a going concern which was taken while approving the 31st March 2022 results.
- 7) The figures of the quarter ended 31/03/2022 are the balancing figures between the audited figures of the full financial years ended 31/03/2022 and the published year-to-date Ind AS figures up to third quarters ended 31/12/2021.
- 8) The company had filed draft offer documents with BSE Limited in respect of issue of shares on rights basis not exceeding Rs.30 crores and the company has received in-principle approval from BSE Limited for the same. Now the company is in the process of completing the final offer documents and other remaining procedures to open the issue for subscription of equity shareholders.
- 9) The Board has approved the proposal seeking Shareholder's approval for disposal/ sale of property located at C-253/254, MIDC, TTC Indl. Area, Pawne Village, Turbhe, Navi Mumbai - 400 705 in order to facilitate relocation of the plant at the appropriate time.
- 10) a) Although the COVID 19 Pandemic situation has not further deteriorated as anticipated by the experts, the impact of the after effects still continue to affect the performance of the company severely. As a result, the company has reported insignificant profit in the current quarter. The company has already taken necessary remedial measures to reduce the impact of the pandemic and accordingly calibrated the scale of operations. The Company has evaluated and factored all the possible effects in its working including the likely impact that may result from the COVID-19 pandemic as well as all events and circumstances up to the date of approval of these financial results on the carrying value of its assets and liabilities as at 30th June, 2022 in the best possible manner.
b) However, the impact assessment due to COVID-19 is still an on-going process given the uncertainty associated with the nature and duration. The Company will continue to monitor any material changes as the situation evolves.
- 11) This Statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular CIR/CFD/FAC/62/2016 dt.05/07/2016.
- 12) Figures are re-grouped / re-arranged and re-classified wherever necessary. The full format of the Results are also available on Company's website (www.suditi.in).

Place: Navi Mumbai
Date: 10th August, 2022



By order of Board of Directors
For SUDITI INDUSTRIES LIMITED

R. Chandra

RAJAGOPAL RAJA CHINRAJ
WHOLETIME DIRECTOR (EXECUTIVE DIRECTOR)
DIN: 00158832



STATEMENT OF ACCOUNTING RATIOS

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Basics Earnings / (loss) per share (in ₹)	0.01	(15.00)	(13.42)	(5.81)
Diluted Earnings / (loss) per share (in ₹)	0.01	(15.00)	(13.42)	(5.81)
Return on Net worth	(0.08)%	(134.36)%	(346.49)%	(34.10)%
Net asset value per Equity share (in ₹)	(11.17)	(11.18)	3.87	17.26
EBITDA (₹ in Lakhs)	130.64	(2046.66)	(1719.04)	(376.94)

*For Notes Refer Annexure B

Annexure – A

Below are the reconciliations to non-GAAP measures presented in this Letter of Offer:

1) Reconciliation of Net Worth

(₹ in Lakhs)

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital (A)	1,755.41	1,755.41	1,755.41	1,755.41
Other Equity (B)	(3,716.16)	(3718.44)	(1075.46)	1273.59
Networth (C=A+B)	(1,960.74)	(1963.03)	679.96	3029.00

2) Reconciliation of return on net worth

(₹ in Lakhs)

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Profit / (loss) for the period / year (A)	1.56	(2637.49)	(2355.97)	(1032.92)
Equity Share Capital (B)	1,755.41	1,755.41	1,755.41	1,755.41
Other Equity (C)	(3,716.16)	(3718.44)	(1075.46)	1273.59
Return on Networth (%) (D= A/(B+C))	(0.08)	(134.36)	(346.49)	(34.10)

3) Reconciliation of net asset value per Equity Share

(₹ in Lakhs)

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital (A)	1,755.41	1,755.41	1,755.41	1,755.41
Other Equity (B)	(3,716.16)	(3718.44)	(1075.46)	1273.59
Number of Equity shares outstanding at the period / year end (C)	1,75,54,123	1,75,54,123	1,75,54,123	1,75,54,123
Number of adjusted Equity shares outstanding at the period / year end (D)	1,75,54,123	1,75,54,123	1,75,54,123	1,75,54,123
Net Asset Value per Equity Share (E) (A+B)/D	(11.17)	(11.18)	3.87	17.26

4) Reconciliation of the Profit / (loss) for the period / year to EBITDA

(₹ in Lakhs)

Particulars	June 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
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Profit / (loss) for the period / year (A)	1.56	(2637.49)	(2355.97)	(1032.92)
Total tax expense (B)	1.40	2.10	3.78	18.36
Finance costs (C)	92.21	452.15	474.05	428.38
Depreciation and amortization expense (D)	35.48	136.57	159.09	209.24
EBITDA (E=A+B+C+D)	130.64	(2046.66)	(1719.04)	(376.94)

Annexure B

Notes to Accounting Ratios

- Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/(loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- Return on Net Worth Ratio: Restated profit / (loss) for the year of the Company divided by Net Worth of the Company at the end of the year.
- Net Asset Value is the Net Worth of the Company.
- Net asset value per equity share is calculated by dividing Net Worth by the number of Equity Shares outstanding as at the end of the period/year.
- EBITDA is calculated as restated profit for the year plus total tax expenses, depreciation expenses, finance costs and exceptional items.
- "Net Worth" means the aggregate value of the paid-up share capital and other equity.

Yours faithfully

For **CHATURVEDI & PARTNERS**

Chartered Accountants

(Firm Reg. No. 307068E)

Sd/-

[Siddharth Punamiya]

Partner

M. No. 148540

ICAI UDIN: 22148540AQHNNU3845

Place: Mumbai

Date: 30th August 2022

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL POSITION & RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information as of and for the Financial Year 2021-22, 2020-21 and 2019-20; all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexures and notes thereto and the reports thereon, and the limited review unaudited Consolidated financial statements for the three-month period ended June 30, 2022 prepared in accordance with SEBI Listing Regulations, included in the section titled "Financial Information" on page 113. Unless otherwise stated, the financial information used in this chapter is derived from the financial statements and limited review report of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" on pages 30 and 20, respectively.

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the twelve (12) month period ended March 31 of that fiscal year. References to the "Company", "we", "us" and "our" in this chapter refer to Suditi Industries Limited on a consolidated basis, as applicable in the relevant fiscal period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

The textile sector is one of the earliest of industries forming a backbone and forerunner to the industrialization in the country. It has, besides the agriculture sector, been one of the largest employment-generating sectors, for both skilled and unskilled labour. It is the largest producer of jute and is one of the top leaders in textile manufacturing, more particularly in silk and cotton production. India happens to be the second largest producer of fibre in the world; with cotton being the major produce. Other fibres include silk, jute, wool and man-made fibres.

The textiles and apparel industry in India has strengths across the entire value chain from fibre, yarn, fabric to apparel. The Indian textile and apparel industry is highly diversified with a wide range of segments ranging from products of traditional handloom, handicrafts, wool, and silk products to the organized textile industry in India. The organized textile industry in India is characterized by the use of capital-intensive technology for the mass production of textile products and includes spinning, weaving, processing, and apparel manufacturing.

Our Company was incorporated in the year 1991 and has evolved as a company with a vertically integrated apparel infrastructure engaged in the areas of fabric processing, garment manufacturing, retail and distribution.

It began initially as a processing plant and has now developed a comprehensive ecosystem covering knitting, dyeing, printing, finishing and garmenting.

The Company's brands are available with major offline and online retailers.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 30. The following is a discussion of

certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Maharashtra;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Any adverse development that may affect the operations of our manufacturing units;
- Our ability to maintain and enhance our brand image;
- Our reliance on third party suppliers for our products;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from our customers;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary(ies), Joint Venture company, Individual Promoters and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.
- Other factors beyond our control;

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Consolidated Financial Statements. For details of our significant accounting policies, please refer section titled "*Financial Information*" on page 113.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter titled "*Financial Information*" on page 113, there has been no change in accounting policies in the last 3 years and the stub period of three months ended June 30, 2022 as per certificate dated August 30, 2022 from the Statutory Auditors, M/s Chaturvedi & Partners.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled “*Financial Information*” on page 113.

Principal components of our statement of profit and loss account Revenue

The following descriptions set forth information with respect to the key components of the Restated Consolidated Financial Statements.

Total income

Our revenue comprises of:

- i. Revenue from operations*
Our revenue from operations consists of sale of products and other operating revenue. Sale of products primarily consists of manufactured goods which are primarily manufactured by us. Other operating revenue comprises scrap sales and other miscellaneous items.
- ii. Other Income*
Other income primarily comprises certain income items such as interest income from Bank deposits and other miscellaneous items such as fees, charges and write-backs.

Expenses

Our expenses comprise host of items and primarily comprise cost of raw materials consumed, consumption of stores, spares and consumables, consumption of packing materials, sub-contracting, consumed chemicals, dyes, yarn, fabric, power and fuel cost, water, rental, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Changes in inventories of stock-in-trade

Changes in inventories of stock-in-trade comprises of difference in closing balance vis-a-vis opening balance of stock in trade, work-in-progress and finished goods.

Power and Fuel expenses

Power and Fuel is one the important component of expenses incurred by the Company, used in the various manufacturing processes. The Company sources power MSEB.

Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, employees ‘share based payment expenses, contribution to provident fund & other funds and staff welfare expenses.

Other expenses

Other expenses comprise consumption of stores, spares and consumables, consumption of packing materials, sub-contracting, power and fuel, water, rent, repairs and maintenance, insurance, royalty, legal and professional fees etc.

Finance cost

Finance cost comprises interest on borrowings, interest on trade payables, interest on income tax, interest on TDS, interest on MSME, interest on vehicle loan, and other interest expenses.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation on property plant and equipment, amortization of intangible assets, depreciation or right-to-use assets.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Results of our Operations

The following table sets forth, for the periods indicated, certain items from our Restated Consolidated financial statements, in each case also stated as a percentage of our total income:

Particulars	Financial Year		
	2022	2021	2020
INCOME			
Revenue from Operations	10328.32	5012.79	9487.85
Other Income	85.64	30.94	64.26
Total Income	10413.96	5043.73	9552.10
EXPENDITURE			
Cost of materials consumed	6745.72	3646.00	6010.62
Changes in stock of finished goods, work in progress and stock in trade	537.80	(57.10)	(395.38)
Employee benefits expense	707.89	387.26	712.59
Finance costs	452.15	474.05	428.38
Depreciation and amortization expense	136.57	159.09	209.24
Other Expenses	3950.35	2259.06	2764.61
Total Expenses	12530.49	6868.37	9730.06
Profit/(Loss) before exceptional items and tax	(2116.54)	(1824.64)	(177.96)
Exceptional items	-	-	763.47
Restated Profit/(Loss) before Share of Profit/(Loss) of Associates/Joint Ventures, exceptional items and tax	(2116.54)	(1824.64)	(941.43)

Share of Profit/(Loss) in Joint Venture	(518.85)	(527.54)	(73.14)
Restated Profit/(Loss) before tax	(2635.39)	(2352.18)	(1014.57)
<i>Tax expenses:</i>			
(i) Current tax	-	-	18.83
(ii) Deferred tax	2.10	3.78	(0.47)
Total Tax Expense	2.10	3.78	18.36
Restated Profit/(Loss) for the period	(2637.49)	(2355.97)	(1032.92)

Comparison of Historical Results of Operations in Fiscal 2022 compared to Fiscal 2021

Total Revenue

Our total revenue for Fiscal 2022 was ₹10413.96 lakhs as compared to ₹5043.73 lakhs for Fiscal 2021, representing an increase of 106.47%.

Total revenue comprises of:

i. Revenue from operations

Our revenue from operations for Fiscal 2022 was ₹10328.32 lakhs as compared to ₹5012.79 lakhs for Fiscal 2021, representing an increase of 106.04%.

ii. Other income

Other income for the Fiscal 2022 was ₹85.64 lakhs as compared to ₹30.94 lakhs for the Fiscal 2021, representing an increase of 176.79%. The increase in other income was primarily due to increase in interest income from bank deposits and also substantial increase in non-operating income such as fees, charges, write backs etc.

Expenses

Our total expenditure for the Fiscal 2022 was ₹ 12530.49 lakhs as compared to ₹ 6868.37 lakhs for the Fiscal 2021, representing an increase of 82.44%.

Our cost of goods sold was primarily determined by the cost of material consumed, labour, power etc., purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Cost of materials consumed

The cost of materials consumed for the Fiscal 2022 was ₹ 6745.72 lakhs as compared to ₹ 3646 lakhs for the Fiscal 2021 representing an increase of 85.02%. The change is commensurate with the increase in sales of our Company's products although the impact was primarily from purchases of materials increasing by about 99.14%.

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

The changes inventories of finished goods, work-in-process and stock-in-trade for the Fiscal 2022 was ₹537.80 lakhs as compared to ₹(57.10) lakhs for the Fiscal 2021, primarily due to market demand supply scenario.

Employee benefit expenses

Employee benefit expense for the Fiscal 2022 was ₹ 707.89 lakhs as compared to ₹ 387.26 lakhs for the Fiscal 2021 representing an increase of 82.79%. This was a substantial increase in salaries, wages and bonus, including staff welfare expenses.

Other expenses

Other expenses for the Fiscal 2022 was ₹3950.35 lakhs as compared to ₹2259.06 lakhs for the Fiscal 2021, representing an increase of 74.87%. The increase was mainly due to sub-contracting, power & fuel, water, travelling and conveyance, sales commission, legal & professional fees, transportation charges, advertisement expenses, business promotion expenses.

Finance cost

Finance cost for the Fiscal 2022 was ₹ 452.15 lakhs as compared to ₹ 474.05 lakhs for the Fiscal 2021, representing a decrease of 4.62%. The decrease in finance cost is primarily due to reduced interest on borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2022 was ₹ 136.57 lakhs as compared to ₹ 159.09 lakhs for the Fiscal 2021, representing a decrease of 14.16%.

Profit/Loss before Tax

The loss before tax for the Fiscal 2022 was of ₹ 2635.39 lakhs as compared to loss of ₹ 2352.18 lakhs for the Fiscal 2021. The increase in loss before tax is because of cumulative impact of proportionate increase in expenses such as Materials consumed, Employee benefits expense and Other expenses. However, the changes in stock of finished goods, work-in-progress and stock-in-trade have had the maximum impact on the bottom-line.

Taxation

Total tax expense for the Fiscal 2022 ₹ 2.10 lakhs as compared to ₹ 3.78 lakhs for the Fiscal 2021, representing a decrease of 44.44%. The decrease in tax expenses was primarily because of reduced deferred taxes during Fiscal 2022.

Profit/(Loss) after Tax

As a result of the aforesaid, our Company incurred a loss for the Fiscal 2022 of ₹ 2637.49 lakhs as compared to loss of ₹ 2355.97 lakhs for the Fiscal 2021. The resultant increase in loss before tax is because of cumulative impact of proportionate increase in expenses such as Materials consumed, Employee benefits expense and Other expenses. However, the changes in stock of finished goods, work-in-progress and stock-in-trade have had the maximum impact on the bottom-line.

Comparison of Historical Results of Operations in Fiscal 2021 compared to Fiscal 2020

Total Revenue

Our total revenue for the Fiscal 2021 was ₹ 5043.73 lakhs as compared to ₹ 9552.10 lakhs for the Fiscal 2020, representing a decrease of 47.19%.

Total revenue comprises of:

i. Revenue from operations

Our revenue from operations for the Fiscal 2021 was ₹ 5012.79 lakhs as compared to ₹ 9487.85 lakhs for the Fiscal 2020, representing a decrease of 47.16%. This is primarily due to slowdown in sales of Textile products on account of COVID-19 related impact across the economy and consequently the industry.

ii. Other income

Other income for the Fiscal 2021 was ₹ 30.94 lakhs as compared to ₹ 64.26 lakhs for the Fiscal 2020, representing a decrease of 51.85%. The decrease in other income was primarily due to decrease in interest income from bank deposits and also substantial decrease in non-operating income such as fees, charges, write backs etc.

Expenses

Our total expenditure for the Fiscal 2021 was ₹ 6868.37 lakhs as compared to ₹ 9730.06 lakhs for the Fiscal 2020, representing a decrease of 29.41%.

Our cost of goods sold was primarily determined by the cost of material consumed, labour, power etc., purchase of stock-in-trade, adjusted by changes in inventories of stock-in-trade as follows:

Cost of materials consumed

The cost of materials consumed for the Fiscal 2021 was ₹ 3646.00 lakhs as compared to ₹ 6010.62 lakhs for the Fiscal 2020 representing a decrease of 39.34%. The change is commensurate with the decrease in sales of our Company's products although the impact was primarily from purchases of materials reducing by about 45.79%.

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

The changes inventories of finished goods, work-in-process and stock-in-trade for the Fiscal 2021 was ₹ (57.10) lakhs as compared to ₹ (395.38) lakhs for the Fiscal 2020, primarily due to market demand supply scenario.

Employee benefit expenses

Employee benefit expense for the Fiscal 2021 was ₹ 387.26 lakhs as compared to ₹ 712.59 lakhs for the Fiscal 2020 representing a decrease of 45.65%. This was a substantial reduction due to reduction in salaries, wages and bonus, staff welfare expenses on account of Covid-19 related reasons.

Other expenses

Other expenses for the Fiscal 2021 was ₹ 2259.06 lakhs as compared to ₹ 2764.61 lakhs for the Fiscal 2020, representing a decrease of 18.29%. The decrease was mainly due to lower expenses across all segments such as power and fuel, repairs, consumption of stores, spares, consumables, sub-contracting, consumption of packing materials, water and selling & distribution expenses.

Finance cost

Finance cost for the Fiscal 2021 was ₹ 474.05 lakhs as compared to ₹ 428.38 lakhs for the Fiscal 2020, representing an increase of 10.66%. The increase in finance cost is due to higher interest cost on borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2021 was ₹ 159.09 lakhs as compared to ₹ 209.24 lakhs for the Fiscal 2020, representing a decrease of 23.97%.

Profit/(Loss) before Tax

The loss before tax for the Fiscal 2021 was of ₹ 2352.18 lakhs as compared to loss of ₹ 1014.57 lakhs for the Fiscal 2020. The increase in loss before tax is because of cumulative impact of substantial reduction in revenue vis-à-vis the expenses emanating from depressed market conditions for textile products during the year on account of Covid-19 related reasons which affected the performance of the Company.

Taxation

Total tax expense for the Fiscal 2021 ₹ 3.78 lakhs as compared to ₹ 18.36 lakhs for the Fiscal 2020, representing a decrease of 79.41%. The decrease in tax expenses was primarily because of no current tax during Fiscal 2021 due to losses made by our Company.

Profit/(Loss) after Tax

As a result of the aforesaid, our Company incurred a loss for the Fiscal 2021 of ₹2355.97 lakhs as compared to loss of ₹ 1032.92 lakhs for the Fiscal 2020. The resultant increase in loss is due to depressed market conditions for textile products during the year due to variety of factors which include USA-China Trade War affecting International Trade, and consequential impact on the domestic market. Impact of COVID-19 related issues also played a significant role in the performance of the Company.

Three-month period ended June 30, 2022 vis-à-vis June 30, 2021

Limited Review Unaudited Consolidated Financial Results

(₹ in Lakhs)

Particulars	Three-month period ended June 30	
	2022	2021
Revenue from Operations	3061.68	1937.47
Other income	8.91	5.09
Total Revenue	3070.59	1942.56
Expenses		
a. Cost of materials consumed	1609.78	1439.33
b. Purchases of Stock-in-Trade	-	-
c. Changes in inventories of finished goods, work in progress and stock in trade	205.20	(408.23)
d. Employee benefits expenses	213.15	132.76
e. Finance costs	92.21	117.20
f. Depreciation and amortization expense	35.48	33.44
g. Other Expenses	911.61	631.82

Total Expenses	3067.43	1946.32
Profit/(loss) before extraordinary, exceptional items & tax	3.16	(3.76)
Exceptional items	-	-
Profit/(Loss) before extraordinary items and tax	3.16	(3.76)
Extraordinary items	-	-
Profit/(Loss) before Tax	3.16	(3.76)
Current Tax	-	-
Deferred Tax	1.40	7.35
Net Profit/(Loss) for the period	1.76	(11.11)

Total revenue

Our total revenue for the three-month period ended June 30, 2022 was ₹3070.59 lakhs as compared to ₹1942.56 lakhs for the three-month period ended June 30, 2021, representing an increase by 58.07%. This significant increase was due to the opening up of the economy after a prolonged lockdown because of the Covid-19 pandemic.

Revenue from Operations

Our revenue from operations increased by ₹1124.21 lakhs or by 58.02% from ₹ 1937.47 lakhs in three-month period ended June 30, 2021 to ₹ 3061.68 lakhs in three-month period ended June 30, 2022.

Other Income

Other income increased by ₹3.82 lakhs i.e., from ₹5.09 lakhs in three months ended June 30, 2021 to ₹8.91 lakhs in three months ended June 30, 2022.

Expenditure

Total expenses increased by ₹1121.11 lakhs or by 57.6% from ₹1946.32 lakhs for the three months ended June 30, 2021 to ₹3067.43 lakhs during three months ended June 30, 2022.

Employee benefits expense

Employee benefits expense increased by ₹80.4 lakhs or by 60.56% from ₹ 132.76 lakhs in three months ended June 30, 2021 to ₹213.15 lakhs for the three months ended June 30, 2022. Employee benefits expenses accounted for 6.96% of the Revenue from operations for the three months ended June 30, 2022 vis-à-vis 6.85% of the Revenues from operations for the three months ended June 30, 2021.

Finance costs

Finance costs decreased by ₹24.99 lakhs or by 21.32% from ₹117.20 lakhs during three months ended June 30, 2021 to ₹92.21 lakhs during three months ended June 30, 2022. However, finance costs accounted for 3.01% of the Revenue from operations for the three months ended June 30, 2022 vis-à-vis 6.05% of the Revenue from operations for the three months ended June 30, 2021.

Depreciation and amortization expense

Depreciation and amortization expense increased by ₹2.04 lakhs or by 6.1% from ₹33.44 lakhs in the three months ended June 30, 2021 to ₹35.48 lakhs in the three months ended June 30, 2022.

Other Expenses

With the increase in revenue, other expenses also increased by ₹279.79 lakhs or by 44.28% from ₹631.82 lakhs in three months ended June 30, 2021 to ₹911.61 lakhs in three months ended June 30, 2022.

Profit before tax (PBT)

Our Company posted a profit before tax of ₹3.16 lakhs for the three months ended June 30, 2022 vis-à-vis a loss of ₹3.76 lakhs in the three months ended June 30, 2021.

Tax expense

Tax expense decreased by ₹5.95 lakhs from ₹7.35 lakhs in three months ended June 30, 2021 to ₹1.40 lakhs in three months ended June 30, 2022.

Profit after tax (PAT)

Our Company posted a profit after tax of ₹1.76 lakhs for three months ended June 30, 2022 vis-à-vis a loss of ₹11.11 lakhs for the three months ended June 30, 2021.

CASH FLOWS

The following table sets forth certain information relating to the Restated Consolidated summary statement of our cash flows:

	<i>(₹ in Lakhs)</i>		
Particulars	2022	2021	2020
Profit before tax	(2116.54)	(1824.64)	(941.43)
Net Cash Flow generated by / (used in) Operating Activities (A)	551.87	119.57	669.77
Net Cash Flow (used in) / generated by Investing Activities (B)	(123.68)	(63.88)	(159.56)
Net Cash (used in) / raised from Financing Activities (C)	(413.40)	(86.81)	(497.88)
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	14.77	(31.12)	12.32
Cash and cash equivalents at the beginning of the year	38.34	69.46	57.14
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the year	53.12	38.34	69.46

Operating Activities

Net cash from operating activities for period ended March 31, 2022 was ₹551.87 lakhs as compared to the PBT of ₹ (2116.54) lakhs for the same period. This difference is primarily on account of share of profit/loss of Joint Ventures, impairment loss, finance cost, depreciation and amortization of non-current assets.

Net cash from operating activities for the period ended March 31, 2021 was ₹119.57 lakhs as compared to the PBT of ₹ (1824.64) lakhs for the same period. This difference is primarily on account of share of profit/loss of Joint Venture, impairment loss, finance cost, depreciation and amortization of non-current assets..

Net cash from operating activities for period ended March 31, 2020 was ₹669.77 lakhs as compared to the PBT of ₹ (941.43) lakhs for the same period. This difference is primarily on account of share of profit/loss of Joint Ventures, impairment loss, deferred revenue/deferred tax adjustment and employees' compensation, finance cost, depreciation and amortization of non-current assets.

Investing Activities

Net cash from investing activities for period ended March 31, 2022 was ₹ (123.68) lakhs. This was mainly on account of payments to acquire financial assets, movement in long-term loans and advances.

Net cash from investing activities for period ended March 31, 2021 was ₹ (63.88) lakhs. This was on account of payments to acquire financial assets, movement in long-term loans and advances.

Net cash from investing activities for period ended March 31, 2020 was ₹ (159.56) lakhs. This was mainly on account of payments to acquire financial assets, movement in long-term loans and advances, movement in non-current investments.

Financing Activities

Net cash from financing activities for period ended March 31, 2022 was ₹ (413.40) lakhs. This was on account of proceeds from issue of equity instruments of the Company, proceeds from current borrowings and interest payments.

Net cash from financing activities for year ended 2021 was ₹ (86.81) lakhs. This was on account of proceeds from current borrowings, movement in other long-term liabilities, and interest paid on borrowings.

Net cash from financing activities for year ended 2020 was ₹(497.88) lakhs This was on account of proceeds from issue of equity instruments, proceeds from non-current borrowings (including deferred revenue), proceeds from current borrowings, movement in other long-term liabilities, and interest paid on borrowings.

Contingent Liabilities

The statement of contingent liabilities of our Company for 3-month period ended June 30, 2022 and as restated for FY2022, FY2021 and FY2019 and are as mentioned in the table below:

Particulars	(₹ in Lakhs)			
	As at June 30, 2022	2021-22	2020-21	2019-20
Contingent Liabilities				
Claims against the Company not acknowledged as debts:				
a) Excise Matters	32.09	32.09	32.09	30.84
b) Sales tax / CST / VAT matters	126.20	177.21	459.76	459.76
c) Professional Tax	20.06	20.06	-	-
d) Local Body Tax	76.18	76.18	-	-
Total	254.53	305.54	491.84	490.59

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital Expenditures

Our capital expenditures are mainly related to the purchase of fixed assets located in India. The primary source of financing for our capital expenditures has been cash generated from our operations and borrowings.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. We believe that our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Total Debt

For details of our borrowings, please see section titled “*Financial Indebtedness*” on page 225 of this Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 30 and 209, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

The Company’s new production facility at Vapi, Gujarat became operational in December, 2021. It has a production capacity of 1,50,000 pieces at optimum level.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 30.

Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 30 and 209, respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company’s future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or increased sales prices

Increase in revenues is by and large linked to increase in sale of units of our existing portfolio of products, introduction of new categories under existing brands and addition to new distribution channels.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty, timely supply and better sourcing of raw-material. Due to which, we are able to stay competitive. For further details, kindly refer the chapter titled “*Business Overview*” beginning on page 81.

Total Turnover of Each Major Business Segment

We currently operate in one business segment i.e., Textiles.

New Product or Business Segment

Except as disclosed in “*Business Overview*” on page 81, we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

We are impacted by seasonal variations in sales volumes, which may cause our revenues to vary significantly between different quarters in a Fiscal. Typically, we see an increase in our business during the festive periods and various seasons across the globe. Therefore, our results of operations and cash flows across quarters in a Fiscal may not be comparable sequentially and any such comparisons may not be meaningful or may not be indicative of our annual financial results or our results in any future quarters or periods, see the section titled “*Risk Factors*” beginning on page 30 of this Letter of Offer.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Letter of Offer, particularly in sections “*Risk Factors*” on page 30, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the discussion in the chapter titled “*Financial Information*” beginning on page 113.

Significant Developments since last balance sheet date

Except as disclosed above and in this Letter of Offer, including under “*Business Overview*” and “*Risk Factors*” on pages 81 and 30 respectively, to our knowledge no circumstances have arisen since March 31, 2021, the date of the last audited financial information disclosed in this Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

CAPITALISATION STATEMENT

Statement of Capitalisation (prepared on the basis of assumptions following the table):

(₹ in lakhs)

Particulars		Pre-Issue	As adjusted
		as at 31st March 2022	for the issue (Post Issue)*
Borrowings:			
Current borrowings	A	3,799.22	873.53
Non-current borrowings	B	369.71	369.71
Total borrowings	C=A+B	4,168.93	1,243.24
Shareholder's fund (Net worth)			
Share Capital	D	1,755.41	2730.64
Other Equity	E	(3,718.44)	(1,767.98)
Total shareholder's fund (Net worth)	F=D+E	(1963.03)	962.66
Non-current borrowing's/shareholder's fund (Net worth) ratio	B/F	(0.19)	0.38
Total borrowings /shareholders' funds (Net worth) ratio	C/F	(2.12)	1.29

Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the Restated Financial Statements of the Company.

Assumptions:

1. The Equity Shares to be issued under the offer are assumed to be subscribed fully. In case of any variations in the subscriptions of the issue the above estimated calculations are bound to change.
2. As stated in the objects paragraph of the Letter of Offer the proceeds will be utilized towards reducing the external borrowings. Any change in the decision in the post issue utilization, the above stated estimations will undergo simultaneous changes.
3. Thirdly, the estimated post issue figures are neither an assurance on the part of the auditors about the extent of subscription of the issue nor the utilization of the proceeds of the issue by the company. Hence, if any decision is taken by any investor on the basis of above statement, neither the auditor nor the auditor's firm will be responsible for any change in the figures or actions by the management in any way in the utilization of the issue proceeds.
4. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
5. The amounts disclosed above are based on the Restated Consolidated Summary Financial Statements of the Company approved by the Board on 30th August 2022.

For **CHATURVEDI & PARTNERS**

Chartered Accountants

(Firm Reg. No. 307068E)

Sd/-

[Siddharth Punamiya]

Partner

M. No. 148540

ICAI UDIN: 22148540AQRFX3379

Place: Mumbai

Date: August 30, 2022

STATEMENT OF MATERIAL DEVELOPMENT

Except as stated in this Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of our Company has at its meeting held on August 30, 2022, inter-alia, considered and approved the raising of funds through issue of Equity Shares of face value of ₹ 10 each for an aggregate amount of up to ₹ 2925.69 Lakhs on a rights basis to the eligible equity shareholders of the Company at a price of ₹ 30 (including a premium of ₹ 20).
- Our Company has increased its Authorised Capital from 2,50,00,000 Equity Shares of Rs. 10 each aggregating Rs. 2500 lakhs to 3,00,00,000 Equity Shares of Rs. 10 each aggregating Rs. 3000 lakhs vide a special resolution of our members on November 16, 2021.
- Our Company has declared a profit of ₹1.76 lakhs based on Un-audited Statement of Consolidated Financial Results for the three-month period ended June 30, 2022.
- The Board, in its meeting on August 10, 2022, approved the proposal seeking Shareholders' approval for disposal/sale of property located at C-235/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705 in order to facilitate relocation of the plant at an appropriate time.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of Suditi Industries Limited together with a brief description of certain significant terms of such financing arrangements. As on March 31, 2022, the total consolidated outstanding secured borrowings as per restated financial statements was ₹ 2695.47 lakhs and total consolidated outstanding unsecured borrowing was ₹ 1450.00 lakhs. As at June 30, 2022, the total consolidated outstanding secured borrowings as per limited review unaudited financial statements was ₹ 2546.88 lakhs and total consolidated outstanding unsecured borrowing was ₹ 1400.33 lakhs.

SECURED BORROWING OF THE COMPANY

The secured loans outstanding as of June 30, 2022 (as per limited review unaudited consolidated financial statements) and March 31, 2022 (as per restated consolidated financial statements) are ₹ 2546.88 lakhs and ₹ 2695.47 lakhs respectively. The following table provides the details of the secured loans availed by the Company:

Sl. No.	Loan Particulars	Sanctioned Amount (₹ in lakhs)	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Amount outstanding as on March 31, 2022 (₹ in lakhs)
1.	TERM LOAN FACILITIES			
	Axis Bank Limited	485.00	336.80	377.22
	South Indian Bank Limited	196.93	147.70	164.11
	South Indian Bank Limited TUF Loan	65.00	61.56	56.03*
A	Total Term Loan Facilities	746.93	546.06	597.36
2.	WORKING CAPITAL FACILITIES			
	Axis Bank Limited	1,500.00	1,496.66	1467.17
	South Indian Bank Limited	500.00	504.16	630.94
B	Total Working Capital Facilities	2,000.00	2,000.82	2,098.11
	Total Facilities (A+B)	2,746.93	2,546.88	2,695.47

* Part of the TUF Loan availed in Apr- June 2022 quarter, hence the balance is higher.

Note: In the month of January 2022, the Axis Bank Limited has renewed the Limits for ₹ 1500 Lakhs & the South Indian Bank Limited for ₹ 630 Lakhs to be gradually reduced to ₹ 500 Lakhs.

SECURED BORROWING OF OUR SUBSIDIARY

As on March 31, 2022, the Subsidiary company, and the Joint Venture Company had availed secured loan of Rs. NIL. The outstanding as of date is Nil as these loans have been repaid. Also, on June 30, 2022 the outstanding loan amount was Nil. The following table provides the details of the secured loans availed by the Company's Subsidiary and Joint Venture company as per Limited review Unaudited Consolidated Financial Statements as on June 30, 2022 and as per Audited Consolidated Financial Statements as on March 31, 2022 is Nil:

Sl. No.	Loan Particulars	Sanctioned Amount (₹ in lakhs)	Amount outstanding as on June 30, 2022 (₹ in lakhs)	Amount outstanding as on March 31, 2022 (₹ in lakhs)
1.	TERM LOAN FACILITIES			
A	Total Term Loan Facilities	Nil	Nil	Nil

2. WORKING CAPITAL FACILITIES			
Indian Overseas Bank:			
i.	Suditi Design Studio Ltd. (Subsidiary)	100.00	Nil
ii.	SAA & Suditi Retail Pvt. Ltd. (Joint Venture)	100.00	Nil
B	Total Working Capital Facilities	200.00	Nil
	Total Facilities (A+B)	200.00	Nil

Principal terms of borrowings applicable to the Company and its Subsidiary:

Interest:

The interest rate charged by the banks has been provided below:

1) Working Capital Facilities:

- a) The interest rates charged for working capital facilities availed by the Company are as follows:

Sl. No.	Name of the Bank	Interest Rate
1.	Axis Bank Limited	8.75%
2.	South Indian Bank Limited	8.70%

The rate of interest on Export Credit / FCNR borrowings and charges for other non-fund-based facilities will be charged at the rates applicable on the date of transaction.

2) Term Loan Facility:

- a) The interest rate charged for the term loan facilities availed by the Company are as follows:

Sl. No.	Name of the Bank	Interest Rate
1.	Axis Bank Limited	8.85%
2.	South Indian Bank Limited	10%

a. Tenor:

The working capital facilities availed by the Company or are generally repayable on demand. The tenor of the term loans ranges from 4 years to 5 years

b. Security Details of the above-mentioned borrowings availed by the Company and the Subsidiary:

In terms of the borrowing's, security needs to be created and the Company is typically required to:

- a) create charge on certain movable and immovable assets of the Company and its Subsidiary (both present and future), including current assets, book debts, future stocks and receivables; and
- b) issue demand promissory notes and letters of continuity.

In most cases, the security created in favour of a lender is on a pari passu basis with other lender. Further, the details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by the Company or by its Subsidiary.

- c. Personal Guarantee:** Yes – by Promoter/Director – Shri Pawan Agarwal
- d. Repayment:** The term loans availed by the Company is typically repayable in monthly installments and the working capital facilities are typically repayable on demand.
- e. Events of Default:** In terms of borrowing arrangements for the facilities availed by us, the occurrence of any of the following, among others, constitute an event of default:
- Fails to promptly pay any amount now or hereafter owing the bank as and when the same shall become due and payable.
 - Fails to duly observe or perform any obligation hereunder or under any other agreement with bank or any other person.
 - Any representation made to the bank shall be found by the bank to have been false at any time or misleading as of the date on which the same was made or deemed to be made.
 - The occurrence of any event or condition which, in the bank’s opinion, constitutes or could constitute a material adverse effect.
 - A receiver being appointed in respect of the whole or any part of the property of the Borrower.
 - Ceases or threatens to cease to carry on business or giving or threatens to give notice of intention to do so.
 - The cessation of business by or the dissolution, winding up, insolvency or liquidation of the borrower.
 - Any change in respect of its constitution or management or shareholding or change in control.

This is an indicative list and there may be additional terms that may amount to an event of default under various borrowing arrangements entered into by the Company.

UNSECURED BORROWINGS

The Company has availed the following unsecured borrowings:

Particulars	(₹ in lakhs)	
	Amount outstanding as on June 30, 2022	Amount outstanding as on March 31, 2022
Loan from Others	180.00	250.00
Loan from Related Parties	1,220.33	1,200.00
Total Unsecured Borrowings	1,400.33	1,450.00

Yours faithfully,

For **CHATURVEDI & PARTNERS**

Chartered Accountants

(Firm Reg. No. 307068E)

Sd/-

[Siddharth Punamiya]

Partner

M. No. 148540

ICAI UDIN: 22148540AQHNNQ6466

Place: Mumbai

Date: 30th August 2022

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed and actively being traded on BSE from April 4, 1994.

1. The Year is defined as a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The high, low and average market closing prices recorded on the Stock Exchanges during the last three years and the number of Equity Shares traded on these days are stated below:

BSE Limited

Financial Year	High (₹)*	Date of High	No. of Shares traded on date of High	Total volume traded on date of High (in ₹)	Low (₹)*	Date of Low	No. of Shares traded on date of Low	Total volume traded on date of Low (in ₹)	Average price for the year (₹) **
2022	54.95	28.02.2022	16623	897110	10.95	05.04.2021	10	109	22.74
2021	14.44	20.06.2020	1082	15555	7.65	29.04.2020	13513	108700	10.48
2020	31.80	02.07.2019	3084	75201	6.64	13.03.2020	8582	70093	17.71

(Source: www.bseindia.com)

*High and low prices are based on the high and low of the daily prices.

**Average of the daily closing prices.

Market Prices for the last eleven and six calendar months

- i. The total number of days trading during the past six months, from February 2022 to July 2022 was 118 days. The average volume of Equity Shares traded on BSE was 16,412 per day.
- ii. The total number of days trading during the past eleven months, from September 2021 to July 2022 was 221 days. The average volume of Equity Shares traded on BSE was 13,933 per day.

The high and low prices and volume of Equity Shares traded on the respective date on BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

BSE Limited

Month	High (₹)*	Date of High	No. of Shares traded on	Total volume traded on date	Low (₹)*	Date of Low	No. of Shares traded on	Total volume traded on date	Average price for the month
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			date of High	of High (in ₹)			date of Low	of Low (in ₹)	(₹) **
Sep 2021	17.60	14.09.2021	4806	81881	14.30	22.09.2021	1799	27170	15.93
Oct 2021	17.50	06.10.2021	948	16106	13.90	29.10.2021	6812	98992	15.67
Nov 2021	17.98	29.11.2021	2532	44951	14.00	01.11.2021	1150	16573	15.83
Dec 2021	28.00	24.12.2021	7695	202535	16.30	02.12.2021	4340	77162	22.21
Jan 2022	34.90	31.01.2022	27415	956576	22.80	03.01.2022	7715	185981	28.94
Feb 2022	54.95	28.02.2022	16623	897110	33.50	01.02.022	40740	1450524	47.62
Mar 2022	54.80	02.03.2022	5496	292819	35.85	16.03.2022	4241	157652	44.52
Apr 2022	51.65	07.04.2022	19465	986836	40.00	20.04.2022	7129	287426	46.15
May 2022	44.50	10.05.2022	8826	371659	35.95	31.05.2022	26007	938545	39.23
June 2022	41.00	13.06.2022	7710	304333	33.65	01.06.2022	7179	254824	37.44
Jul 2022	36.00	01.07.2022	115	3839	28.85	26.07.2022	702	21981	32.35

(Source: www.bseindia.com)

*High and low prices are based on the high and low of the daily prices.

**Average of the daily closing prices.

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

The Board of our Company has approved the Issue at their meeting held on January 06, 2022. The high and low prices of our Company's shares as quoted on BSE on January 07, 2022, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No. of Equity Shares)	Highest Price (₹)	Low Price (₹)
07.01.2022	38,747	27.80	26.50

Source: www.bseindia.com

SECTION VIII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable and also any such litigation wherein the monetary liability is not quantifiable, but which is expected to have an adverse impact on the operations of our Company ("**Materiality Threshold**").

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company is impleaded as defendant in litigation proceedings before any judicial forum.

A. Proceedings involving moral turpitude or criminal liability on the part of our Company

Nil

B. Litigation involving economic offences where proceedings have been initiated against our Company

Nil

C. Proceedings involving economic offences initiated against our Company

Nil

D. Litigation involving an amount above the Materiality Threshold

Nil

E. Litigation involving tax proceedings by or against our Company

1. For the Financial Year 1996-97, the Company has received a tax demand (BST- Bombay Sale Tax) for an amount of ₹ 51,01,821/- against which the Company has filed an Appeal before the Joint Commissioner of Sales Tax. The Company claims a refund and seeks to challenge the demand of tax as the tax authorities have levied tax on tax free goods. The Appeal is pending before the Joint Commissioner of Sales Tax.

2. For the Financial Year 2005-06, the Company has received demand of MVAT with interest aggregating to ₹ 33,21,415/-. The Company has filed an Appeal and shall be submitting ledger confirmation to relevant authority. The Company has made a part payment of ₹ 83,230/- as a result of which the recovery proceedings have been stayed. The Appeal is pending.
3. For the Financial Year 2009-10, the Company has received demand of MVAT with interest aggregating to ₹ 27,02,408/-. The Company has filed an Appeal and shall be submitting necessary documents to the relevant authority. The Company has made a part payment of ₹ 5,72,680/- as a result of which the recovery proceedings have been stayed. The Appeal is pending.
4. For the Financial Year 2011-12, the Company has received demand of MVAT with interest aggregating to ₹ 5,89,632/-. The Company has filed an Appeal and shall be submitting necessary documents to the relevant authority. The Appeal is pending.
5. For the Financial Year 2011-12, the Company has received Central Sales Tax demand for an amount of ₹ 30,31,775/-. The Company has filed an Appeal challenging the said demand and is pending for hearing.
6. For the Financial Year 2012-13, the Company has received demand of MVAT with interest aggregating to ₹ 78,54,334/-. The Company has filed an Appeal and shall be submitting necessary documents to the relevant authority. The Appeal is pending.
7. For the Financial Year 2012-13, the Company has received Central Sales Tax demand for an amount of ₹ 16,59,593/-. The Company has filed an Appeal challenging the said demand and is pending for hearing.
8. For the Financial Year 2013-14, the Company has received demand of MVAT with interest aggregating to ₹ 10,84,706/-. The Company has filed an Appeal and shall be submitting necessary documents to the relevant authority. The Company has made a part payment of ₹ 60,170/- as a result of which the recovery proceedings have been stayed. The Appeal is pending.
9. For the Financial Year 2013-14, the Company has received Central Sales Tax demand for an amount of ₹ 26,18,216/-. The Company has filed an Appeal challenging the said demand and is pending for hearing.
10. For the Financial Year 2014-15, the Company has received demand of MVAT with interest aggregating to ₹ 3,29,025/-. The Company has filed an Appeal and shall be submitting necessary documents to the relevant authority. The Company has made a part payment of ₹ 17,438.70 as a result of which the recovery proceedings have been stayed. The Appeal is pending.
11. For the Financial Year 2014-15, the Company has received Central Sales Tax demand for an amount of ₹ 11,27,588/-. The Company has made a part payment of ₹ 59,764/- as a result of which the recovery proceedings have been stayed. The Company has filed an Appeal challenging the said demand and is pending for hearing.
12. For the Financial Year 2016-17, the Company has received demand of MVAT with interest aggregating to ₹ 3,08,858/-. The Company has filed an Appeal and shall be submitting

necessary documents to the relevant authority. The Company has made a part payment of ₹ 14,028/- as a result of which the recovery proceedings have been stayed. The Appeal is pending.

F. Litigation civil or criminal proceedings by the Company:

1. The Company has filed a complaint being Complaint No. 4849 of 2015 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheques dated September 3, 2014, September 6, 2014 and September 13, 2014 bearing no. 200049, 200047 and 200048 respectively for an amount of ₹642/-, ₹ 27,335/- and ₹26,078/- before the 33rd Ballard Pier Court. The present stage in the complaint in the complaint proceedings is for cross examination of witness.
2. The Company has filed a complaint being Complaint No. 1494 of 2017 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated December 13, 2017 bearing no. 010366 for an amount of ₹2,96,349/- before the Vashi Court. The present stage in the complaint is for issuance of bailable warrant against the accused party in the complaint proceedings.
3. The Company has filed a complaint being Complaint No. 1495 of 2017 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated December 13, 2017 bearing no. 010376 for an amount of ₹1,68,413/- before the Vashi Court. The present stage in the complaint is for issuance of bailable warrant against the accused party in the complaint proceedings.
4. The Company has filed Summary Civil Suit/150/2017 against Rushabh Lifestyle Private Limited for a claim amount of ₹ 5,19,366/-. The Company and Rushabh Lifestyle Private Limited has entered into a settlement due to which the Company has received an amount of ₹ 2,00,000/- from Rushabh Lifestyle Private Limited. The Company shall take appropriate steps to give effect to the settlement before the relevant court of law.
5. The Company has filed an Execution Proceeding No. 75 of 2018 in Thane Court for execution of decree dated February 3, 2017 for a claim amount of ₹ 1,51,680/-. The Execution Proceedings are pending for further steps.
6. The Company has filed an Application M.A.C.P/549/2017 under Section 166 of the Motor Vehicles Act 1988 against M/s. Ashish Containers Private Limited and Bajaj Allianz General Insurance Company Limited before the Thane Motor Accident Claim Tribunal for a claim of ₹2,50,000/-. The case is pending for further hearing.
7. The Company has filed a complaint being Complaint No. 2758 of 2019 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated December 11, 2019 bearing no. 185770 for an amount of ₹10,70,300/- before the Vashi Court. The present stage in the complaint is for issuance of bailable warrant against the accused party in the complaint proceedings.
8. The Company has filed a complaint being Complaint No. 1187 of 2019 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated November 26, 2018 bearing no. 002285 for an amount of ₹1,03,908/- before the Vashi Court. The present stage in the complaint proceedings is for filing of summons report.

9. The Company has filed a complaint being Complaint No. 99 of 2019 under Section 420 read with 34 of Indian Penal Code for complaining fraud against the accused party before production of evidence.
10. The Company has filed a complaint being Complaint No. 662 of 2019 under Section 420 read with 34 of Indian Penal Code for complaining fraud against the accused party before production of evidence.
11. The Company has filed an Appeal under Section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Bombay High Court challenging the Arbitral Award wherein the claim of M/s. Tirupati Textiles of ₹ 13,70,875/- has been allowed. The said Appeal is pending for hearing.
12. The Company has filed a complaint being Complaint No. 1142 of 2020 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated September 15, 2019 bearing no. 000151 for an amount of ₹1,60,000/- and another cheque date September 25, 2019 bearing no. 000152 for an amount of ₹ 1,77,460/- before the Vashi Court. The present stage in the complaint proceedings is for filing of summons report.
13. The Company has filed a complaint being Complaint No. 1590 of 2020 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated December 1, 2019 bearing no. 000205 for an amount of ₹3,67,844/- and another cheque date December 19, 2019 bearing no. 000207 for an amount of ₹ 5,38,986/- before the Vashi Court. The present stage in the complaint proceedings is for verification of the complainant.
14. The Company has filed a complaint being Complaint No. 1867 of 2020 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated October 4, 2020 bearing no. 000206 for an amount of ₹6,25,118/- before the Vashi Court. The present stage in the complaint proceedings is for filing of summons report.
15. The Company has filed a complaint being Complaint No. 1708 of 2021 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated February 4, 2021 bearing no. 000735 for an amount of ₹10,00,000/- before the Vashi Court. The present stage in the complaint proceedings is for verification of the complainant.
16. The Company has filed a complaint being Complaint No. 3514 of 2021 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated September 1, 2021 bearing no. 000571 for an amount of ₹18,22,819/- before the Vashi Court. The present stage in the complaint proceedings is for verification of the complainant.
17. The Company has filed a proof of claim with the Resolution Professional appointed in terms of the provisions of the Insolvency and Bankruptcy Code, 2016 in the matter of Ashapura Intimates Fashion Limited being a Corporate Debtor. If the resolution plan is approved, then the Company shall receive the amount towards its claim against the Corporate Debtor.

G. Litigation civil or criminal proceedings against the Company

1. An Arbitral Award dated November 30, 2019 has been passed in an Arbitration Proceedings initiated by M/s. Tirupati Textiles against the Company in pursuance of which the claim of ₹13,70,875/- of M/s. Tirupati Textiles has been allowed by the Arbitral Tribunal.

- The Company has received a demand legal notice dated August 4, 2021 from an attorney of M/s. Versatile Group Enterprise demanding an amount of ₹ 9,36,862/- only. The Company has filed the Reply to the said legal notice of Versatile Group Enterprise.

H. Litigation civil or criminal proceedings by Group Companies or Subsidiaries:

- The SAA & Suditi Retail Private Limited has filed a complaint being Complaint No. 1849 of 2021 under Section 138 of Negotiable Instruments Act, 1881 for dishonour of cheque dated April 7, 2021 bearing no. 000242 for an amount of ₹1,99,473/- before the Vashi Court. The present stage in the complaint proceedings is for submission of warrant report.

I. Litigation civil or criminal proceedings against the Group Companies or Subsidiaries:

- The Complaint has been filed by the Chembur Micro Committee against the Suditi Design Studio Limited before the MSME authority for recovery of claim amount of ₹ 2,77,496/-. Suditi Design Studio Limited has filed its reply to the Complaint and is awaiting the next date of hearing or further steps in the matter.
- For the period 2015-16, Suditi Design Studio Limited has received demand of Central Sales Tax with interest aggregating to ₹ 8,40,351/-. The Company has filed an Appeal challenging the said demand notice to the relevant authority. The Company has made a part payment of ₹ 35,880/-. By virtue of Maharashtra Settlement of Arrears of Tax, Interest, Penalty or Late Fee Act, 2022, Suditi Design Studio Limited has settled the tax demand and hence the liability no longer exists.

J. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS

In terms of the Materiality Policy, our Company has Nil material creditors, as on March 31, 2022.

The details of amounts outstanding Micro enterprises and Small enterprises other creditors as per the Restated Consolidated Financial Statements of our Company as on March 31, 2022 is as under:

	(₹ in lakhs)
Particulars	Amount
Outstanding dues to micro enterprises and small enterprises	482.54
Outstanding dues to other creditors	3059.17
Total outstanding dues	3541.70

The details of amounts outstanding Micro enterprises and Small enterprises other creditors as per the Limited Review Unaudited Consolidated Financial Statements of our Company for the 3-month period as on June 30, 2022 is as under:

	(₹ in lakhs)
Particulars	Amount
Outstanding dues to micro enterprises and small enterprises	589.61
Outstanding dues to other creditors	3114.37
Total outstanding dues	3703.98

For further details, refer to the section titled “Financial Information” on page 113 of this Letter of Offer.

K. DISCLOSURES PERTAINING TO WILFUL DEFAULTERS / FRAUDULENT BORROWER

Neither our Company, nor our Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

L. MATERIAL DEVELOPMENTS SINCE THE DATE OF THE LAST AUDITED ACCOUNTS

To our knowledge no circumstances have arisen since the date of the latest audited balance sheet i.e., March 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities.

The objects clause of the Memorandum of Association enables our Company to undertake its existing activities.

GOVERNMENT AND OTHER APPROVALS

In order to operate our business, we require various approvals and/or licenses under various laws, rules and regulations. Our Company has received the necessary consents, licenses, registrations, permissions and approvals from the Government of India and various governmental agencies and other statutory and/or regulatory authorities required to undertake this Issue and carrying on our present business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. Unless otherwise stated, these approvals and licenses are valid as of the date of this Letter of Offer and in case of licenses and approvals which have expired; we have either made application for renewal or are in the process of making an application for renewal.

Except for the following, no further material approvals from any governmental or regulatory authority are pending to undertake the Issue or continue its business activities.

I. Material approvals for which applications have been made by our Company, but are currently pending grant:

Nil

II. Material approvals for which renewal applications have been made by our Company:

Nil

III. Material approvals which have expired and for which renewal applications are yet to be made by our Company:

Nil

IV. Material approvals required for which no application has been made by our Company

Nil

SECTION IX - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors at its meeting held on January 6, 2022, have authorised this Issue pursuant to Section 62(1) (a) of the Companies Act, 2013.

Our Board of Directors / Rights Issue Committee has, at its meeting held on August 30, 2022, determined the Issue Price as ₹30 per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as 5 (Five) Rights Equity Share for every 9(Nine) Equity Shares held on the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board in their meeting on January 6, 2022) pursuant to its resolution dated March 29, 2022 and the Letter of Offer was approved by our Board pursuant to its resolution dated Tuesday, August 30, 2022.

Our Company has received 'in-principle' approval letter from BSE vide letter dated May 31, 2022 for listing of the Rights Equity Shares to be allotted pursuant to Regulation 28(1) of SEBI Listing Regulations. Our Company will also make applications to BSE Limited to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE691D20012 for the Rights Entitlements to be credited to the respective Demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 246 of this Letter of Offer

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on the BSE. We are eligible to undertake the Issue in terms of Chapter III of SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 62(1) of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 62(1) of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing and trading of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

DISCLAIMER CLAUSE OF BSE

“BSE Limited (“the Exchange”) has given vide its letter dated May 31, 2022, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person

consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.”

Disclaimer from our Company, our Directors and the LM

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.suditi.in or the respective websites of an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding center.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

This Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, Maharashtra, India only.

Designated Stock Exchange

BSE being the only stock exchange where the Company's shares are listed, the Designated Stock Exchange for the purposes of the Issue is BSE.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in

the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE

REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES.

ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, legal advisor, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated January 11, 2022 from our Statutory and Peer Review Auditor, namely, Chaturvedi & Partners, Chartered Accountants for inclusion of their examination report dated August 30, 2022 on our Restated Consolidated Financial Information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; and to the limited review report dated August 10, 2022 on the unaudited consolidated financial statements for the three-month period ended June 30, 2022; and to include their name in this Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated August 30, 2022 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Our Company has received written consent dated January 11, 2022 from our Statutory and Peer Review Auditor, namely, Chaturvedi & Partners, Chartered Accountants to include their name as required in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its (i) examination report dated August 30, 2022 on our Restated Consolidated Financial Information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020; (ii) limited review report dated August 10, 2022 on the unaudited consolidated financial statements for the three-month period ended June 30, 2022; and (iii) statement of tax benefits dated August 30, 2022 in this Draft Letter of Offer and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'Expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by Chaturvedi & Partners, Chartered Accountants, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

None of our Subsidiaries or associate companies are listed as on date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "*Market Price Information*" on page 229 of this Letter of Offer.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with Stock Exchange and not with SEBI. However, the Letter of Offer will be submitted to SEBI for information and dissemination and will be filed with the Stock Exchange.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Link Intime India Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning at page 246 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

Link Intime India Private Limited

C – 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India

Telephone: +91 22 4918 6200

Facsimile: +91 22 4918 6195

E-mail: suditi.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact person: Mr. Sumeet Deshpande

Investor grievance: suditi.rights@linkintime.co.in

SEBI Registration No: INR000004058

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/post-Issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders etc.

H. Gopalkrishnan is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Suditi Industries Limited

C-253/254, MIDC

T.T.C. Industrial Area

Pawne Village, Turbhe

Navi Mumbai - 400705

Tel.: +91 22 67368600

E-mail: rights.issue@suditi.in

SECTION X – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) Dispatch and availability of Issue materials:

In accordance with the SEBI (ICDR) Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them. Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid email address and in case such Eligible Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.suditi.in
- b) the Registrar to the Issue at www.linkintime.co.in
- c) the Lead Manager at www.charteredfinance.in
- d) the Stock Exchange at www.bseindia.com; and

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.suditi.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

a. Facilities for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI – Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled ‘Procedure for Application through the ASBA Process’ on page 258 of this Letter of Offer.

ASBA facility

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, refer “Procedure for Application through the ASBA Process”.

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled ‘Procedure for Application through the ASBA Process.

Please note that subject to SCSBs complying with the requirements of SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each

such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details refer “Grounds for Technical Rejection”. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘Application on Plain Paper under ASBA process’ on page 261 of this Letter of Offer.

b. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, “**LIPL SUDITI RIGHTS 2022 ESCROW DEMAT ACCOUNT**”) opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e., Tuesday, September 6, 2022, are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e., Monday, September 19, 2022, in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e., Monday, September 19, 2022, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c. Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form” on page 265 in “Terms of the Issue”.

d. Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment” beginning on page 273.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e. Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounce on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” on page 258 of this Letter of Offer.

f. Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in;
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: suditi.rights@linkintime.co.in;
- c) Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: www.linkintime.co.in;

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated January 06, 2022 have authorized this Issue under Section 62(1) (c) of the Companies Act, 2013.

The Board of Directors in their meeting held on Tuesday, August 30, 2022 have determined the Issue Price at ₹30 per Equity Share and the Rights Entitlement as 5 (Five) Rights Equity Share(s) for every 9 (Nine) fully paid-up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter DCS/RIGHT/KK/FIP/2269/2022-23 dated May 31, 2022.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., Tuesday, September 6, 2022, are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.suditi.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our

Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹30 per Rights Equity Share (including a premium of ₹20 per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on Tuesday, August 30, 2022, has determined the Issue Price, in consultation with the Lead Manager.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 9 (Nine) Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank *pari-passu* with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹30 per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 9 (Nine) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Share(s) or not in the multiple of 9 (Nine), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 100 (Hundred) Equity Shares, such Shareholder will be entitled to 55 (Fifty-Five) Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 9 (Nine) Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable.**

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari-passu* with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. INE691D20012 for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE691D01012 (**Scrip Code:** 521113) on BSE. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter number DCS/RIGHT/KK/FIP/2269/2022-23 dated May 31, 2022. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalization of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “*Terms of Payment*” at page 252 of this Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see

“Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue” on page 55.

Compliance with SEBI (ICDR) Regulations

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

General terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is One (1) Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity

Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, through email and speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Further, our Company along with the Lead Manager will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, refer “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 265.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to the email-address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.suditi.in
- b) the Registrar to the Issue at www.linkintime.co.in
- c) the Lead Manager at www.charteredfinance.in
- d) the Stock Exchange at www.bseindia.com; and

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.suditi.in). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e., Monday, September 19, 2022, after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see *“Grounds for Technical Rejection”* on page 271. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *“Application on Plain Paper under ASBA process”* on page 261.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.linkintime.co.in and link of the same would also be available on the website of our Company at (www.suditi.in). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e., Monday, September 19, 2022, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 265.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details

as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 261.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 246. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section “*Basis of Allotment*” on page 273.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies (“OCBs”), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investor.

THE LEAD MANAGER AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS. PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE691D20012 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Thursday, September 15, 2022 to Friday, September 16, 2022 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE691D01012 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE Limited under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE691D01012, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt

instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges, the Lead Manager to provide requisite details.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see "Modes of Payment" on page 263 in Chapter "Terms of the Issue".

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Suditi Industries Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;

- Total amount paid at the rate of ₹30 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("**US Securities Act**") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("**United States**") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("**Regulation S**"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in. Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is Wednesday, September 21, 2022 (*i.e., the Issue Closing Date*). Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under “*Terms of the Issue - Basis of Allotment*” on page 273.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount

payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at suditi.rights@linkintime.co.in.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company or the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 261.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat

account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

FOR DETAILS, SEE “ALLOTMENT ADVICES/ REFUND ORDERS” ON PAGE 275.

General instructions for Investors

- (a) Please read this Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 261.

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

- (h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

- (i) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, , (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investor.
- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (o) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (p) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (q) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein,

applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

- (r) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (s) In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

- (e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (i) Do not submit multiple Applications.
- (j) No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.
- (k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this

ground.

- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory order.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in,

electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see “*Investment by Mutual Funds*” on page 278.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 55.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to suditi.rights@linkintime.co.in. However, no Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlement	Thursday, September 8, 2022
Issue Opening Date	Thursday, September 15, 2022
Last date for On Market Renunciation	Friday, September 16, 2022
Issue Closing Date	Wednesday, September 21, 2022
Finalising the basis of allotment	Tuesday, September 27, 2022
Date of Allotment (on or about)	Tuesday, September 27, 2022
Date of credit (on or about)	Thursday, September 29, 2022
Date of listing (on or about)	Monday, October 3, 2022

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following

order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favour, in full or in part, as adjusted for fractional entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- (f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders

Our Company will issue and dispatch Allotment advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period. The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository. In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts. Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds/refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 265.

Investment by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs and VCFs

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not

permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Investment by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE691D01012.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in

part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declare that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the SUDITI ESOP PLAN 2011, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Filing

For details, please refer section titled "*General Information*" on page 47 of this Letter of Offer.

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 30 of this Letter of Offer.

All enquiries in connection with this Letter of Offer, the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**Suditi Industries Limited – Rights Issue**” on the envelope to the Registrar at the following address:

Link Intime India Private Limited

C – 101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai – 400 083,
Maharashtra, India

Telephone: +91 22 4918 6200

Facsimile: +91 22 4918 6195

E-mail: suditi.rights@linkintime.co.in

Website: www.linkintime.co.in

Contact person: Mr. Sumeet Deshpande

Investor grievance: suditi.rights@linkintime.co.in

SEBI Registration No: INR000004058

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar www.linkintime.co.in. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 49186200.

The Issue will remain open for a minimum period of 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sector.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular 2020**”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue.

The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the

adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION XI - STATUTORY AND OTHER INFORMATION

Please note that the Equity Shares applied for under this Rights Issue can be allotted only in dematerialized form and to:

- (a) the same depository account / corresponding PAN in which the Equity Shares are held by such Investor on the Record Date; or
- (b) the depository account, details of which have been provided to our Company or the Registrar at least two (2) working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.suditi.in from the date of this Letter of Offer till the Issue Closing Date. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, would be available for inspection at the Registered Office of our Company between 11 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date.

Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to rights.issue@suditi.in.

1. Material Contracts

- i. Appointment Agreement dated January 6, 2022 between our Company and Chartered Finance Management Private Limited (Formerly known as Chartered Finance Management Limited), the Lead Manager to the Issue.
- ii. Memorandum of Understanding dated February 18, 2022 between our Company and Chartered Finance Management Private Limited (Formerly known as Chartered Finance Management Limited), the Lead Manager to the Issue.
- iii. Registrar Agreement dated February 18, 2022 between our Company and Link Intime India Private Limited, the Registrar to the Issue.
- iv. Engagement Letter dated January 6, 2022 issued by our Company appointing Zastriya as Legal Advisor to the Issue.
- v. Escrow Agreement dated April 27, 2022 amongst our Company, the Lead Manager, Registrar to the Issue and the Banker(s) to the Issue/Refund Bank.

2. Material Documents for Inspection

- i. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company.
- ii. Memorandum and Articles of Association of our Company.
- iii. Resolution of the Board of Directors dated January 06, 2022, in relation to the approval of this Issue.
- iv. Resolution of the Rights Issue Committee dated March 29, 2022 approving and adopting the Draft Letter of Offer.
- v. Resolution passed by our Rights Issue Committee dated August 30, 2022 finalizing and recommending the terms of the Issue including Record Date and the Rights Entitlement ratio
- vi. Resolution of the Board of Directors dated August 30, 2022 finalizing the terms of the Issue including Record Date, Issue Price, the Rights Entitlement ratio, Issue Opening and Closing Date, approving and adopting the Letter of Offer.
- vii. Consents of the Directors, Statutory and Peer Review Auditors, Company Secretary and Compliance Officer, Lead Manager to the Issue, Registrar to the Issue, Legal Advisors to the Issue, Bankers to the Issue/Refund Bank for inclusion of their names in this Letter of Offer to act in their respective capacities.
- viii. Copy of the Audited Balance Sheet for the Financial Year 2021-22.
- ix. Copies of Annual Reports of our Company for the financial years ended March 31, 2022, 2021, 2020, 2019 and 2018.

- x. Limited review report dated August 10, 2022 on the unaudited consolidated financial results for three-month period ended June 30, 2022.
- xi. The examination reports dated August 30, 2022 of the Statutory Auditor, on our Company's Restated Consolidated Audited Financial Statements for the financial years 2022, 2021 and 2020, included in this Letter of Offer.
- xii. Prospectus dated January 18, 1994 for the Initial Public Offering of our Company.
- xiii. Letter of Offer dated September 12, 2012 for the Rights Issue of our Company.
- xiv. Certificate from M/s Chaturvedi & Partners, Chartered Accountants, the Statutory Auditors stating that all the Accounting Policies adopted by the Issuer company in the preparation of financial statement disclosed in the Letter of Offer are in compliance with the Accounting Standards.
- xv. Statement of Tax Benefits certificate dated August 30, 2022 from M/s Chaturvedi & Partners, Chartered Accountants, the Statutory Auditors of our Company included in this Letter of Offer.
- xvi. Tripartite Agreement dated February 10, 2005 between our Company, National Securities Depository Limited and Sharex Dynamic (India) Private Limited (the former Registrar to the Company which has since been merged with Link Intime India Private Limited who are the current Registrars to the Company) to establish direct connectivity with NSDL.
- xvii. Tripartite Agreement dated March 25, 2006 between our Company, Central Depository Services (India) Limited and Sharex Dynamic (India) Private Limited (the former Registrar to the Company which has since been merged with Link Intime India Private Limited who are the current Registrars to the Company) to establish direct connectivity with CDSL.
- xviii. Due Diligence Certificate dated August 30, 2022 addressed to SEBI from the Lead Manager.
- xix. In-principle listing approval vide letter number DCS/RIGHT/KK/FIP/2269/2022-23 dated May 31, 2022 from BSE Limited.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SUDITI INDUSTRIES LIMITED
C-253/254, MIDC, TTC Industrial Area
Pawne Village, Turbhe
Navi Mumbai – 400705
Maharashtra, India

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Pawan Kishorilal Agarwal
Chairman

Rajagopal Raja Chinraj
Executive (Whole Time) Director & CEO

Vivek Gangwal
Independent Director

Sanjula Sanghai
Independent Director

Signed by the V.P. Finance & Company Secretary

H. Gopalkrishnan

Place: Navi Mumbai
Date: August 30, 2022

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SUDITI INDUSTRIES LIMITED

Registered & Corporate Office: C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India

(For changes in Registered Office, please refer to page 47 of the Letter of Offer)

Tel: +91 22-67368600; **Contact Person:** H. Gopalkrishnan, Company Secretary and Compliance Officer

E-mail: rights.issue@suditi.in; **Website:** www.suditi.in

Corporate Identification Number: L19101MH1991PLC063245

ENTITLEMENT LETTER FOR THE RIGHTS ISSUE

Dear Shareholder,

ISSUE OF UPTO 97,52,290 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹30 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹20 PER EQUITY SHARE) (THE “ISSUE PRICE”), FOR AN AMOUNT AGGREGATING UPTO ₹2925.69 LAKHS# ON A RIGHTS BASIS TO THE EXISTING ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 5 (FIVE) RIGHTS EQUITY SHARE(S) FOR EVERY 9 (NINE) FULLY PAID-UP EQUITY SHARE(S) HELD BY SUCH EXISTING ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON TUESDAY, SEPTEMBER 6, 2022 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” ON PAGE 246 OF THE LETTER OF OFFER

Assuming full subscription

This letter does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where such offers or solicitations are not permitted by law. You are advised to read the disclaimer carefully before reading, accessing or making any other use of the documents. By accessing this letter and its enclosures, you are hereby deemed to represent that you qualify under the above criteria. This letter and its enclosures should not be reproduced, transmitted or distributed to any other person.

You have been sent this letter (including its enclosures) to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), and relevant circulars issued by SEBI from time to time. This letter does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where offers or solicitations are not permitted by law. The information in this letter is solely intended for distribution to, and use by, Eligible Equity Shareholders as of the Record Date i.e., Tuesday, September 06, 2022, who have provided an Indian address to the Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. By accepting this letter and its enclosures, you are hereby deemed to represent that you qualify under one of the foregoing criteria. This letter and its enclosures should not be reproduced, transmitted or distributed to any other person.

IF YOU ARE NOT PERMITTED TO VIEW THIS LETTER OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO VIEW THIS LETTER, PLEASE TREAT THIS LETTER AS SENT FOR INFORMATION PURPOSES ONLY AND SHOULD NOT BE ACTED UPON FOR SUBSCRIPTION TO THE RIGHTS EQUITY SHARES AND SHOULD NOT BE COPIED OR REDISTRIBUTED.

With reference to above, please find below the details of Equity Shares held by you as on Record Date i.e., Tuesday, September 06, 2022 along with your Rights Entitlements:

Folio Number / DP or Client ID	No. of Equity Shares held by you on Record date being September 06, 2022	No. of Rights Entitlement

Abridged Letter of Offer & Application Form are enclosed herewith.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://linkintime.co.in>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.suditi.in).

This is to inform you that the captioned Issue opens for subscription on Thursday, September 15, 2022 and closes for subscription on Wednesday, September 21, 2022. Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Procedure for Application in the Issue

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular SEBI/HO/CFD/DIL2/CIR/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021 (“SEBI Rights Issue Circulars”) and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together “ASBA Circulars”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process (instituted only for resident Investors in this Issue, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA For details see “Terms of Issue - Procedure for Application through the ASBA Process” of the Letter of Offer (“LOF”).

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “LIPL SUDITI RIGHTS 2022 ESCROW DEMAT ACCOUNT”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ATTENTION FOR PHYSICAL SHAREHOLDERS

The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at www.suditi.in
- the Registrar to the Issue at www.linkintime.co.in
- the Lead Manager at www.charteredfinance.in; and
- the Stock Exchange at www.bseindia.com;

Trading of the Rights Entitlements:

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN INE691D20012. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism. For more details, see “*Procedure for Renunciation of Rights Entitlements*” on page 259 of the Letter of Offer.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

For details, please see the section entitled “*Terms of the Issue- Procedure for Renunciation of Rights Entitlements*” on page 259 of the Letter of Offer.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 5 (Five) Rights Equity Share(s) for every 9 (Nine) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 9 (Nine) Equity Share(s) or not in the multiple of 9 (Nine), the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

Issue Schedule

Last Date for credit of Rights Entitlements	Thursday, September 8, 2022
Issue Opening Date	Thursday, September 15, 2022
Last Date for On Market Renunciation	Friday, September 16, 2022
Issue Closing Date	Wednesday, September 21, 2022
Finalization of Basis of Allotment (on or about)	Tuesday, September 27, 2022
Date of Allotment (on or about)	Tuesday, September 27, 2022
Date of credit (on or about)	Thursday, September 29, 2022
Date of listing (on or about)	Monday, October 3, 2022

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

Investors can access the LOF, the Abridged LOF and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the website of the Lead Manager or the Company or the Registrar or the Stock Exchange.

Please refer to the FAQs available on the websites of the Company and the Registrar to the Issue, which may be used as guidance for making an Application in the Rights Issue




NOTICE TO INVESTORS

The distribution of the LOF, the Abridged LOF, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the LOF, the Abridged LOF, the Application Form or the Rights Entitlement Letter may come, are required to inform themselves about and observe such restrictions. For details, see “*Selling Restrictions*” at page 241 of the LOF.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIAL AND RIGHTS ENTITLEMENT LETTERS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

In case of any queries, you may contact the Company, Lead Manager to the Issue or the Registrar to the Issue.

COMPANY	LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
		
SUDITI INDUSTRIES LIMITED C-253/254, MIDC, TTC Industrial Area, Pawne Village, Turbhe, Navi Mumbai – 400705, Maharashtra, India Tel.: : +91 22-67368600; E-mail rights.issue@suditi.in Website: www.suditi.in Contact Person: Mr. H. Gopalkrishnan CIN: L19101MH1991PLC063245	CHARTERED FINANCE MANAGEMENT PRIVATE LIMITED (Formerly known as Chartered Finance Management Limited) 2nd Floor, Wakefield House, Spratt Road, Ballard Estate, Mumbai – 400038, Maharashtra, India Tel.: +91 22 22696944 / 22675708 Website www.charteredfinance.in Email: rights.issue@cfml.in Investor Grievance ID: investor.grievance@cfml.in Contact Person: Mr. R. Ramnath SEBI Registration No: INM000012052	LINK INTIME INDIA PRIVATE LIMITED C-101, 1 st Floor, 247 Park L.B.S. Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India Tel: +91 022 49186200; Fax: +91 22 49186195 Website: www.linkintime.co.in Email: suditi.rights@linkintime.co.in Investor Grievance ID: suditi.rights@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.

For Suditi Industries Limited

Sd/-
H. Gopalkrishnan
Company Secretary and Compliance Officer