

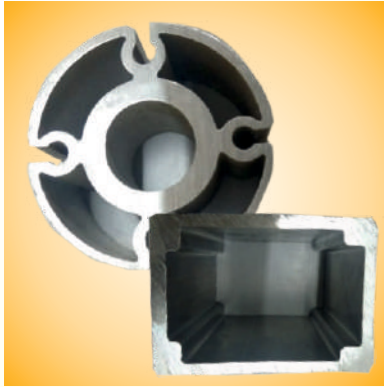
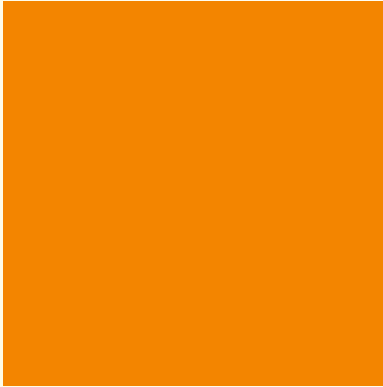


# SUDAL INDUSTRIES LIMITED

CIN : L21541MH1979PLC021541



## 42<sup>nd</sup> ANNUAL REPORT 2020-21



TÜV

- ISO/TS 16949:2009 • DIN EN ISO 9001:2008
- BS OHSAS 18001:2007 • ISO 14001:2004
- SA 8000:2008 • ISO 50001:2011
- Certified Company



# SUDAL INDUSTRIES LIMITED

CIN : L21541MH1979PLC021541



# Corporate Information

## FOUNDER AND PROMOTER DIRECTOR

Late Shri. Shriram Chokhani [1924-2010]

## BOARD OF DIRECTORS

Shri Sudarshan S Chokhani (Managing Director)  
 Shri Shyantanu S Chokhani (Non-Executive Director)  
 Shri Mukesh V Ashar (Whole time Director & CFO)  
 Shri Jal S Thanawala (Independent Director)  
 Ms Neha Dhuru (Independent Director)  
 Shri Lalit Maharshi (Independent Director)  
 Shri Ramana Prasad (Company Secretary and Compliance Officer)

## CORPORATE MANAGEMENT TEAM

Shri Debasis Acharya (Chief Operating Officer)  
 (w.e.f 01/01/2021)  
 Shri Rajendra Shah (Chief Marketing Officer)  
 Shri Kishore Dulla (Commercial manager)

## REGISTERED OFFICE & PLANT

A-5 MIDC, Ambad Industrial Estate, Mumbai Nashik  
 Highway, Nashik-422010, Maharashtra  
 Tel No 91-253-6636200/201 E-mail: [nashik@sudal.co.in](mailto:nashik@sudal.co.in)

## CORPORATE OFFICE

26A, Nariman Bhavan, 227, Nariman Point, Mumbai  
 400021 Tel No 91-22-61577100/177  
 E-mail: [cs@sudal.co.in](mailto:cs@sudal.co.in)/[mvashar@sudal.co.in](mailto:mvashar@sudal.co.in)

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private limited C101,247 Park,  
 L B S Marg Vikhroli West, Mumbai -400083  
 Tel No 91-22-49186000 Fax No 91-22-49186060  
 E Mail : [rnt.helpdeck@linkintime.co.in](mailto:rnt.helpdeck@linkintime.co.in)  
 Web site [www.linkintime.co.in](http://www.linkintime.co.in)

## STATUTORY AUDITORS

Bagaria & Co LLP Chartered Accountants 701 stanford,  
 Junction of S V Road & Barfiwala Marg,  
 Andheri (W), Mumbai 400058.

## BANKERS

Syndicate Bank, Mumbai  
 Indian Bank, Mumbai  
 Bank of Maharashtra, Mumbai

## SOLICITORS & ADVOCATES

India Law Alliance  
 Surya Mahal, 1st Floor, S Burjori Bharucha Marg,  
 Fort,, Mumbai -400023

42nd ANNUAL GENERAL MEETING  
 On Saturday 20th November,2021 at 3 PM AT A- 5 MIDC, Ambad  
 Industrial Area, Mumbai Nashik Highway Nashik 422010

Page No.	Content
01	Notice
11	Board Report
29	Management Discussion and analysis
31	Independent Auditors' Report
39	Balance Sheet
40	Statement of Profit & Loss Accounts
41	Cash Flow Statement
43	Significant Accounting Policies & Notes forming part of the Financial statements.



## **NOTICE**

**NOTICE** is hereby given that the Forty Second Annual General Meeting ("AGM") of Sudal Industries Limited will be held on Saturday, 20<sup>th</sup> November, 2021 at 03:00 p.m., Indian Standard Time ("IST"), at the Registered office situated at A-5 MIDC Ambad Industrial, Mumbai Agra Highway, Nashik 40010 to transact following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors' and Auditor's thereon;
2. To appoint a Director in place of Mr. Shyantanu S Chokhani (DIN 02444142), who retires by rotation, and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

3. **Ratification of Remuneration payable to Cost Auditor:**

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

**"RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors ) Rule, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the payment of remuneration of <sup>1</sup> 80,000/- (Rupees Eighty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actual, to M/s Hemant Shah & Associates, Cost Accountants ICWAI Firm Registration No.000394 who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the financial year ended March 31, 2022."

**By order of the Board of Directors  
Of Sudal Industries Limited**

**Sudarshan Chokhnai  
Managing Director  
DIN: 00243355**

**Place: Mumbai**

**Date: 6<sup>th</sup> October 2021**

### **Registered Office:**

A 5 M I D Cambad Industrial Estate  
Mumbai - Nashik Highway Nashik-422010

### **NOTES:**

1. A statement setting out the material facts relating to special business to be transacted at the meeting pursuant to section 102(1) of the Companies Act, 2013 is annexed here to. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, in respect of Directors seeking appointment/reappointment at the Annual General Meeting is furnished as annexure A to the notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOTLESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the Total Share Capital of the Company carrying voting rights. Member holding more than 10% of the Total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member
3. Corporate Members intending to send their representative to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
4. Only confide members of the Company whose names appear on the register of member /proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting.

5. In case of joint holders attending the Meeting, any such joint holder who is higher in the order of names will be entitled to vote
6. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. Link Intime (India) Private Limited having their registered office at C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.
7. Register of Members of the Company shall remain closed from Saturday 13<sup>th</sup> November,2021 to Saturday 20<sup>th</sup> November,2021 (Both days inclusive)
8. Members, who wish to seek clarification on accounts, are requested to address their queries to the Registered Office of the Company at least seven days prior to the date of Annual General Meeting, to enable the Management to make available the relevant information at the Annual General Meeting, to the extent possible.
9. Members are requested to bring their copy the Annual Report to the Annual General Meeting
10. A brief resume of Director proposed to be re-appointed at the Annual General Meeting, as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 on General Meetings is annexed hereto.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting. Members are requested to write to the Company at [cs@sudal.co.in](mailto:cs@sudal.co.in).
12. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Link Intime (India) Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.
13. Members are requested to:
  - a. intimate to the Company's Registrar and Transfer Agents, M/s. Link Intime (India) Private Limited at the above mentioned address, of changes if any, in the registered address at an early date, in case of shares held in physical form;
  - b. intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form;
  - c. send their email ID's to the Registrar and Share Transfer Agent of the Company / to the Company (for members holding shares in physical form);
  - d. send / update their email ID's to the Depository Participant / Registrar and Share Transfer Agent of the Company (formembers holding shares in Demat Form);
  - e. quote their Folio numbers/Client ID/DP ID in all their correspondences;
  - f. approach the Company to consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
  - g. get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee; and
  - h. to bring their copies of the Annual Report, Notice and Attendance slip to the General Meeting. No copies will be distributed at the Meeting as a measure of economy.
14. Please note that in terms of SEBI Circulars No. MRD/DoP/ Cir-05/2009 dated May 20, 2009 and No. SEBI/MRD/DoP/SE/ RTA/ Cir03/2010 dated January 7, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card in the following cases
  - Transferees' PAN Cards for transfer of shares,
  - Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,



- Legal heirs' PAN Cards for transmission of shares,
- Joint holders' PAN Cards for transposition of shares

In compliance with the aforesaid circulars, requests without attaching copies of PAN card, for transfer/deletion/ transmission and transposition of shares of the Company in physical form will be returned under objection.

15. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the Electronic copy of the Annual Report for 2021 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2021 are being sent in the permitted mode.
16. Electronic copy of the Notice of the 42<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 42<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
17. Members may also note that the Notice of the 42<sup>nd</sup> Annual General Meeting and the Annual Report for the year ended March 31, 2021 will also be available on the Company's website [www.sudal.in](http://www.sudal.in). The physical copies of the same will remain open for inspection at the Registered Office of the Company during business hours on working days, upto the date of the Annual General Meeting.
18. In terms of Section 91 of the Companies Act, 2013 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Record Date for the purpose of the remote e-voting of Annual General Meeting is Saturday, 13<sup>th</sup> November, 2021.
19. Mr. Jayesh Shah, Practising Company Secretary (Membership No. FCS 5637), Partner, M/s Rathi & Associates, Company Secretaries in practice has been appointed as the Scrutinizer for conducting e-voting process in a fair and transparent manner.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of electronic voting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The results shall be declared within two working days from conclusion of the AGM. The results along with the report of the Scrutinizer shall be placed on the website of the Company [www.sudal.co.in](http://www.sudal.co.in) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Limited.

20. **Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Rules 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited ('CDSL') i.e. Remote evoting. The facility for voting through ballot paper, will also be made available at the venue of the Annual General Meeting and the members attending the Annual General Meeting, who have not already cast their votes by Remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have cast their votes by remote evoting prior to Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER: [To be confirmed from CDSL]**

- (i) The voting period begins on Wednesday 17<sup>th</sup> November 2021 from 10 a.m. and ends on Thursday 19<sup>th</sup> November 2021 till 5:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off i.e date record date i.e 13<sup>th</sup> November 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed

that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>



	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

- (i) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  2. Click on "Shareholders" module.
  3. Now enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  4. Next enter the Image Verification as displayed and Click on Login.
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:



	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
<b>OR</b> Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- o Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - o A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .
  - o After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - o The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - o A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- o Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@sudal.co.in](mailto:cs@sudal.co.in) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

- **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
- **For Demat shareholders -**, Please update your email id & mobile no. with your respective Depository Participant (DP)
- **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By order of the Board of Directors  
Of Sudal Industries Limited**

**Sudarshan Chokhnai  
Managing Director  
DIN: 00243355**

**Place: Mumbai  
Date: 06<sup>th</sup> October, 2021**

**STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 3**

The Board of Directors of the Company, on recommendation of Audit Committee, had approved the appointment of M/s Hemant Shah & Associates, Cost Accountants (Firm Registration No. 000394)) as the Cost Auditors of the Company to conduct the audit of the cost accounts maintained by the Company for Financial year ending on 31<sup>st</sup> March, 2022.

In accordance with the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditor Rule), 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing the Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to Cost Auditors for the financial year 2021-22.

None of the Directors or Key Managerial Personnel or their relatives, are in any way concerned or interested financially or otherwise in the proposed Resolution as set out in the Notice.

The Board recommends the matter pertaining to ratification of remuneration payable to Cost Auditors by way of an Ordinary Resolution as set out in the Notice for approval of the Members of the Company.

**By order of the Board of Directors  
Of Sudal Industries Limited**

**Sudarshan Chokhnai  
Managing Director  
DIN: 00243355**

**Place: Mumbai  
Date: 6<sup>th</sup> November 2021**

**Annexure****Profile of the Directors being appointed / re-appointed as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

<b>Particulars</b>	<b>Mr. Shyantanu Sudarshan Chokhani</b>
<b>DIN</b>	2444142
Date of Birth	27 <sup>th</sup> November,1990 (29 years)
Date of Appointment	29 <sup>th</sup> December, 2008
Qualification	M.Sc (Marketing & Strategy) - UK
Disclosure of Relationship between the Directors inter- se	Mr. Shyantanu Sudarshan Chokhani is the son of Mr. Sudarshan Shriram Chokhani.
Directorships in other Public Listed companies in India	NIL
Membership of Committees held in other Public Listed companies in India	NIL
Shares held in the Company	17,18,200 (23.32%)
Terms and conditions of appointment	Mr. Shyantanu Sudarshan Chokhani is proposed to be re-appointed pursuant to the provisions of Section 152 of the Companies Act, 2013. He will continue to act as Non-executive Director of the Company and his office shall be liable to retire by rotation.
Details of remuneration sought to be paid	Sitting fee and Rs. 2,25,000 PM as a advisor on holding place of profit under section 188 of Companies Act,2013
Remuneration last drawn	Sitting fee and Rs. 2,25,000 PM as a advisor on holding place of profit under section 188 of Companies Act,2013
Number of Meetings of the Board attended during the year	4
Other Directorships, Membership/ Chairmanship of Committees of other Boards	<ul style="list-style-type: none"> <li>❖ Integrated Home Solutions Private Limited</li> <li>❖ Kooloday Projects Private Limited</li> <li>❖ Sudal Enterprises Private Limited</li> </ul>

# Boards' Report

To  
The Members,  
Sudal Industries Limited

Your Directors have pleasure in presenting the Forty Second (42<sup>nd</sup>) Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2021.

## FINANCIAL RESULTS

The Company's performance during the year ended 31<sup>st</sup> March, 2021 as compared to the previous financial year, is summarized below:

(Rs. in Lacs)

Particulars	For the financial year ended 31st March, 2021	For the financial year ended 31st March, 2020
<b>Total Revenue</b>	<b>8222.72</b>	<b>9201.17</b>
<b>Earnings before interest, depreciation and tax</b>	<b>669.49</b>	<b>-495.43</b>
Less: Interest and Finance Charges	1739.04	1550.93
Less: Depreciation	291.39	302.67
<b>Profit/(Loss) Before Exceptional Item and Taxation</b>	<b>-1360.98</b>	<b>-2349.03</b>
<b>Exceptional Item</b>	<b>0</b>	<b>-341.55</b>
Less: Provisions for Current Tax	0	0
Less: Provision for Deferred Tax	0	0
Less: Provision for tax for earlier year	-21.82	-167.88
<b>Profit/(Loss) after Tax</b>	<b>-1382.79</b>	<b>-2858.46</b>
<b>Other comprehensive income</b>	<b>0.72</b>	<b>1.21</b>
<b>Total comprehensive income for the year</b>	<b>-1382.07</b>	<b>-2857.25</b>

## OPERATIONS AND RESULTS:

The plant remained closed from 23<sup>rd</sup> March, 2020 to 17<sup>th</sup> May, 2020 due to outbreak of Covid-19 virus. The Government had declared and implemented several revival packages to spur the demand. Though the Company's turnover was lower compared to last year but due to the cost cutting measures and change in raw material procurement process, the Company was able to earn profits before Interest and Depreciation as compared to loss in previous year. Even the Net Loss after tax has substantially stood reduced.

There was no change in the nature of business during the year under review.

## DIVIDEND:

Considering the loss in the current financial year and accumulated losses, your Directors have not recommended any dividend for the financial year under review.

## TRANSFER TO RESERVES:

In view of loss incurred during the year under review, the Board of Directors has not recommended transfer of any amount to reserves.

## RECOVERY PROCESS BY CANARA BANK AND OTHER FINANCIAL INSTITUTION/UNSECURED CREDITORS.

Canara Bank (Syndicate Bank merged with Canara Bank), have initiated recovery process of dues under SARFAESI Act, 2002 and continue to have symbolic possession of the manufacturing facility. Further in May, 2021 another Financial Institution has approached



the NCLT for recovery of their dues. The Company is in the process of negotiation and expect to convince the lender bank/institution/unsecured creditors for the settlement of their dues reasonably.

**REPORT ON PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

During the year under review, your Company did not have any subsidiary, associate and joint venture company.

**DEPOSITS:**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review.

**DISCLOSURES UNDER SECTION 134(3)(i) OF THE COMPANIES ACT, 2013:**

Except as disclosed elsewhere in this report, no material changes and commitments have occurred between the end of the financial year of the Company and date of this report which could affect the Company's financial position.

**INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL:**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

**PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES:**

The details of transactions/contracts/arrangements entered by the Company with related party / parties as defined under the provisions of Section 2(76) of the Companies Act, 2013, during the financial year under review, are furnished in Annexure I and forms part of this Report.

**PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:**

Full particulars of loans, guarantees, investments and securities provided during the financial year under review along with the purposes for which such loans, guarantees and securities are proposed to be utilized by the recipients thereof, has been furnished in Note No. 3 which forms part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021.

**DISCLOSURE UNDER SECTION 43(a)(ii) OF THE COMPANIES ACT, 2013:**

The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**DISCLOSURE UNDER SECTION 54(1)(d) OF THE COMPANIES ACT, 2013:**

The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**DISCLOSURE UNDER SECTION 62(1)(b) OF THE COMPANIES ACT, 2013:**

The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

**DISCLOSURE UNDER SECTION 67(3) OF THE COMPANIES ACT, 2013:**

During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT:**

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is attached and marked as Annexure VII, forms part of this Report.

**MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL: BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**

During the year under review there were no changes in the Board of Directors and Key Managerial Personnel of the Company.

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Shyantanu S Chokhani (DIN: 02444142), is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary proposal for his appointment has been included in the Notice of the ensuing Annual General Meeting of the Company.

**DECLARATIONS BY INDEPENDENT DIRECTORS**

The Company has received declarations from all the Independent Directors under Section 149(6) of the Companies Act, 2013 confirming their independence vis-à-vis the Company.

In the opinion of the Board, each of the Independent Director possess requisite integrity, expertise, and experience for acting as an Independent Director of the Company.

All the Independent Directors who are required to undertake the online proficiency self-assessment test as contemplated under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, have complied with the same.

**DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:****a. BOARD MEETINGS:**

The Board of Directors met 5 times during the financial year ended 31<sup>st</sup> March 2021 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the financial year under review are as under:

- 30<sup>th</sup> July, 2020
- 26<sup>th</sup> August, 2020
- 16<sup>th</sup> September, 2020\*
- 11<sup>th</sup> November, 2020
- 12<sup>th</sup> February, 2021

***\*Board Meeting convened on 14<sup>th</sup> September, 2021 was adjourned to 16<sup>th</sup> September, 2021.***

The time interval between two Board meetings did not exceed the maximum permissible limit prescribed under the Act and applicable laws.

**b. DIRECTOR'S RESPONSIBILITY STATEMENT:**

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March, 2021 the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently except provisions of IND-AS to the extent became applicable for first time and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March, 2021 and of the loss of the Company for the year;



- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**c. NOMINATION AND REMUNERATION COMMITTEE:**

Nomination and Remuneration Committee of Directors reconstituted in accordance with the provisions of Section 178 of the Act.

The composition of the said Committee as on 31<sup>st</sup> March, 2021 was as under:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent – N.E.D* (Chairman)
2	Ms Neha Dhuru	Independent Woman Director (Member)
3	Mr. Sudarshan Chokhani	Managing Director (Member)

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees.

Major criteria defined in the policy framed for appointment of and payment of remuneration to the Directors of the Company, are as under:

- Minimum Qualification
- Positive Attributes
- Independence
- Experience

The Policy is also available on the Company's web-site i.e. [www.sudal.co.in](http://www.sudal.co.in).

The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

**d. AUDIT COMMITTEE:**

The Audit Committee of Directors constituted under the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 confirms the compliance of the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

The Audit Committee as on 31<sup>st</sup> March, 2021 comprised of:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent – N.E.D* (Member)
2	Mr. Sudarshan Chokhani	Managing Director (Member)
3	Ms Neha Dhuru	Independent – N.E.D* (Member) & Chairman

\* N.E.D : Non – Executive Director

During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Audit Committee.



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

**e. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted the Stakeholder's Relationship Committee, comprising of the following members as on 31<sup>st</sup> March, 2021:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent – N.E.D* (Member)
2	Ms Neha Dhuru	Independent Woman – N.E.D(Member).
3	Mr. Sudarshan Chokhani	Managing Director (Chairman)

\* N.E.D : Non – Executive Director

The Company Secretary acts as the Secretary of the Stakeholders' Relationship Committee.

**VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:**

The Board of Directors of the Company has, pursuant to the provisions of Section 178(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, framed "Vigil Mechanism Policy " for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports, etc.

The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations.

**BUSINESS RISK MANAGEMENT:**

The Board of Directors of the Company has designed Risk Management Policy and Guidelines to avoid events, situations or circumstances, which may lead to negative consequences on the Company's businesses, and define a structured approach to manage uncertainty and to make use of these in their decision making pertaining to all business divisions and corporate functions. Key business risks and their mitigation are considered in the annual / strategic business plans and in periodic management reviews.

**ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an evaluation of its own performance, the directors individually, as well as the evaluation of all Committees. The manner in which evaluation has been carried out is detailed in Annexure II, which forms part of this Report.

**INTERNAL CONTROL SYSTEMS:**

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

**DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014:**

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year under review has been furnished and marked as Annexure III.

**AUDITORS AND REPORTS**

The matters related to Auditors and their Reports are as under:

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021:**

The observations made by the Statutory Auditors in their report for the financial year ended 31<sup>st</sup> March, 2021 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.



**b. APPOINTMENT OF STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Bagaria & Co. LLP, Chartered Accountants (Firm Registration No. 113447W/W-100019), the Statutory Auditors of the Company, hold office upto the conclusion of the Forty Third Annual General Meeting.

The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

**c. FRAUD REPORTING :**

During the year under review, there were no instances of material fraud falling under rule 13(1) of the Companies (Audit and Auditors) rule, 2014, reported by the Statutory Auditors of the Company during the course of the Audit conducted.

**d. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2021:**

In terms of the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, and the rules made thereunder (including any statutory enactments thereof), the Board had appointed M/s. Rathi and Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2020-21. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2020-21 is appended as Annexure IV to this Report.

The said report does not contain any observation or qualification or adverse remark requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**e. COST AUDITORS:**

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, Company is required to appointment a Cost Auditor for auditing the cost and other relevant records of the Company.

In accordance with the said provisions and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 28<sup>th</sup> May, 2021 appointed M/s Hemant Shah & Associates, Cost Accountants (Firm Reg. No. 000394), as the Cost Auditors of the Company for the Financial Year 2021-22 on a remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) for the applicable Product Groups. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a Resolution seeking members' ratification for remuneration payable to M/s Hemant Shah & Associates, Cost Auditors is included in the Notice of the ensuing Annual General Meeting.

**OTHER DISCLOSURES:**

Other disclosures as per provisions of Section 134 of the Act read with Companies (Accounts) Rules, 2014 are furnished as under:

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2021 made under the provisions of Section 92(3) of the Act is available on the website of the Company at [www.sudal.co.in](http://www.sudal.co.in) under the section "Annual Return 2021-21".

**b. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are furnished in Annexure V & VI which forms part of this Report.

**c. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social responsibility policy) Rules, 2014 were not applicable to your Company during the Financial Year 2020-21 and accordingly compliances with respect to the same were not applicable to the Company during the year under review.

**d. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. No case pertaining to sexual harassment at work place has been reported to Company during the F.Y. 2020-21.

**DISCLOSURE UNDER SCHEDULE V OF COMPANIES ACT, 2013: CORPORATE GOVERNANCE**

: (Applicable to Companies giving remuneration as per Section II of Schedule V

**(Rs in lacs)**

Particulars	Sudarshan S Chokhani (Managing Director)	Mr. Mukesh V Ashar (Whole Time Director)	Mr Prasana Ramade ( Company Secretary - From 01/03/2020)
A)Element of Remuneration Package			
Salary	39.66	6.64	2.92
Benefits		0.70	
Bonues			
Stock Option			
Pension			
Total	39.66	7.34	2.92
B)Fixed and variable Components			
Fixed Components	39.66	7.34	2.92
Performance Linked Incentives	0	0	
C)Terms Appointment			
Service Contract	Appointed for 3 years w.e.f 01/09/2018 to 31/08/2023	Appointed for 3 years w.e.f 08/12/2017 to 07/12/2022	
Notice Period	3 Months in Writing	3 Month in writing	
Severance Fees	Monthly salary calculated for such number of years or pay for such number of months by which the notice falls short of the required number of months	Monthly salary calculated for such number of years or pay for such number of months by which the notice falls short of the required number of months	

**COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company is in compliance with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS:**

Subject to the applicable provisions of the Companies Act, 2013, all documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

The application under NCLT filed are in pending for admission.

**ACKNOWLEDGMENTS AND APPRECIATION:**

Our Directors take this opportunity to thanks the Customers, Shareholders, Suppliers, bankers, Business partners/Associates, Financial Institutions and State Governments for their consistent support and encouragement to the Company.

**For & on behalf of the Board of Directors  
of Sudal Industries Limited**

**Sd/-  
Sudarshan S Chokhani  
Managing Director  
DIN: 00243355**

**Sd/-  
Mukesh V Ashar  
CFO & Director  
DIN: 06929024**

**Date: 06<sup>th</sup> October, 2021**

**Place: Mumbai**



<b>Sr. No.</b>	<b>Annexure</b>
<b>I</b>	<b>AOC- 2</b>
<b>II</b>	<b>Statement on manner of Evaluation of Board Of Directors, Committee and Individual Directors</b>
<b>III</b>	<b>Disclosure for ratio of remuneration of each Director to the Median Employee's Remuneration and other details as per Rule 5 of the Companies (Appointment &amp; Remuneration) Rules, 2014</b>
<b>IV</b>	<b>Form No. MR-3</b>
<b>V</b>	<b>Disclosure pursuant to Section 134(3)(M) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts), Rules 2014</b>
<b>VI</b>	<b>Technology Absorption, Foreign Income Expenditure</b>
<b>VII</b>	<b>Management Discussion and Analysis Report</b>

## ANNEXURE I

## Form No. AOC-2

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**During the year under review all the material contracts/arrangements/ transactions were on arm's length basis.**

**1. Details of material contracts or arrangement or transactions at arm's length basis :**

Name(s) of the related party and nature of Relationship	M/s Sudarshan S. Chokhani & Co. (Partnership Firm)	M/s Shriram Chokhani & Co. (Partnership Firm)	M/s Sudarshan S Chokhani & Co. (Partnership Firm)	M/s Shriram Chokhani & Co. (Partnership Firm)	Mr. Shyantanu S Chokhani (Non- Executive Director )
<b>Nature of contracts/ arrangements/ Transactions</b>	Contract to purchase raw materials (i.e., billets, ingots and Scrap) under section 188 (1)(a)	Contract to purchase raw materials (i.e., billets, ingots and Scrap) under section 188(1)(a)	Contract to lease Commercial Premises Being Office Space under Section 188(1)(c)	Contract to lease Commercial Premises Being Office Space under Section 188(1)(c)	Appointment of Related Party to office or Place of Profit under Section 188(1)(f)
<b>Duration of the contracts / arrangements/ transactions</b>	Five years w.e.f 1 <sup>st</sup> April, 2014	Five years w.e.f 1 <sup>st</sup> April, 2014	yearly renewal w.e.f 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 and which shall be subject to renewal on fresh terms and conditions on year to year basis	yearly renewal w.e.f 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022 and which shall be subject to renewal on fresh terms and conditions on year to year basis	Three Years w.e.f 1 <sup>st</sup> January, 2019
<b>Salient terms of the contracts or arrangements or Transactions including the value, if any</b>	For each financial year Transaction value shall not be more than 10% of the gross turnover as on the last date of the previous financial year	For each financial year transaction value shall not be more than 10% of the gross turnover as on the last date of the previous financial year.	The Company shall pay a Lease Deposit in Lieu of Rent, at the commencement date of the lease i.e. 1 <sup>st</sup> April, 2015, which shall be receivable at the time of expiry / termination of the lease period.	The Company shall pay a Lease Deposit in Lieu of Rent, at the commencement date of the lease i.e. 1 <sup>st</sup> April, 2015, which shall be receivable at the time of expiry / termination of the lease period.	Appointment of Mr. Shyantanu Chokhani - Non Executive Director (Son of Mr. Sudarshan S Chokhani - Managing Director of the Company) as Advisor Marketing and Business Development.
<b>Date(s) of approval by the Board, if Any</b>	At the meeting of the Board, held on 26 <sup>th</sup> May, 2015	At the meeting of the Board, held on 26 <sup>th</sup> May, 2015	At the meeting of the Board held on 26 <sup>th</sup> May, 2015	At the meeting of the Board held on 26 <sup>th</sup> May, 2015	At the meeting of the Board, held on 14 <sup>th</sup> February, 2019
<b>Amount paid as advances, if any</b>	-	-	-	-	-

**Registered Office**

A-5 MIDC Ambad Industrial Area,  
Mumbai Nashi Highway, Nashik -422010

**For and on behalf of the Board of Directors  
of Sudal Industries Limited**

Sd/-

**Sudarshan S Chokhani**  
Managing Director  
DIN: 00243355

Sd/-

**Mukesh V Ashar**  
CFO & DIRECTOR  
DIN: 06929024

Place: Mumbai

Date: 06<sup>th</sup> October, 2021

**ANNEXURE II****STATEMENT ON MANNER OF EVALUATION OF BOARD OF DIRECTORS, COMMITTEE AND INDIVIDUAL DIRECTORS:**

Pursuant to the provisions of the Companies Act, 2013, the Board carried out the annual performance evaluation of its own performance, all the directors individually, as well as the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Share Transfer Committees of the Board. A Policy named as "Nomination, Remuneration and Performance Evaluation Policy" with structured questionnaire was prepared after taking into consideration inputs received from directors. (Policy is uploaded on the website of the Company [www.sudal.co.in](http://www.sudal.co.in)).

A separate exercise was carried out to evaluate the performance of individual directors on the parameters set out in the policy. The performance evaluation of Independent Directors was carried out by the entire Board based on parameters such as Qualification, skills and knowledge, leadership qualities, compliance with ethical standards and code of conduct of the Company etc.

The independent directors at a separate meeting carried out the performance evaluation of Non-Executive Directors, Board as a whole and the Audit, Nomination & Remuneration, Stakeholders Relationship and Share Transfer Committees of the Board. The quality, quantity and timeliness of flow of information between the Company management and Board were also evaluated. Performance of Non – Executive Directors was evaluated on parameters such as Qualification, leadership skills, steps initiated towards business development, steps initiated towards branding of the Company, exercising duties diligently, etc.

Performance of the Board as a whole was evaluated on parameters such as composition with right mix of skills and knowledge, whether the board receives regular updates on production, marketing and financials and takes all necessary steps to ensure that the operations of the organization are sound and reviews the organizations performance in carrying out a stated mission on a regular basis, whether Board Meeting are conducted in a manner that encourages open communication, meaningful discussions and timely resolution of issues, members of the Board meets applicable independence requirement, etc.

Performance of the Committees of the Board were evaluated on parameters such as efficiency and effectiveness of the systems in the Company, consideration of matters and concerns raised by the members in the meeting, committee's accomplishments with respect to performance objectives, redressal of complaints and grievances, co-ordination with other Committees and Board, adherence to companies policies and internal procedures etc.

On a whole, all the directors expressed their satisfaction with the evaluation process.

**Registered Office**

A-5 MIDC Ambad Industrial Area,  
Mumbai Nashi Highway, Nashik -422010

**Place: Mumbai**

**Date: 06<sup>th</sup> October, 2021**

**For and on behalf of the Board of Directors  
of Sudal Industries Limited**

Sd/-

**Sudarshan S Chokhani**  
**Managing Director**  
**DIN: 00243355**

Sd/-

**Mukesh V Ashar**  
**CFO & DIRECTOR**  
**DIN: 06929024**

**ANNEXURE III****DISCLOSURE FOR RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION AND OTHER DETAILS AS PER RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014**

- I. Median Remuneration: Rs. 216,012/- Per year
- II. Ratio of the remuneration of each Director & KMP to the median remuneration of the Employees of the Company for the Financial Year 2020-21, the percentage increase in remuneration of Director /KMP during the Financial Year 2020-21.

Sr. No.	Name of Director /KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage Increase in Remuneration
1	Mr. Sudarshan S Chokhani	Managing Director	19.44:1	Nil
2	Mr. Mukesh V Ashar	Whole-time Director and CFO	3.50:1	Nil
3	Mr. Shyantanu Sudarshan Chokhani	Non-executive Director	NA	Nil
4	Jal Thanawala	Independent Director	NA	Nil
5	Neha Digvijay Dhuru	Independent Director	NA	Nil
6	Lalit Maharshi	Independent Director	NA	Nil
7	Prasanna Vitthal Ramdas	Company Secretary	1:1	Nil

- For the purpose of Calculation of median only remuneration pertaining to the employees being part of the Company for the entire financial year were considered

## Note:

- The Non-Executive Directors of the Company are entitled to receive sitting fees of Rs. 3000 for attending each Board Meeting. He is not appointed on any committee meeting no remuneration is payable.
  - Employee for the above purpose includes all employees excluding employees covered under collective bargaining.
- III. The percentage increase in the median remuneration of employees in the financial year:  
During the F.Y. 2020-21 there was no increase in the median remuneration of employees except renewal of wage package of workers.
- IV. The Company has 109 permanent Employees on the rolls of Company as on 31st March, 2021.
- V. Increase in remuneration depends upon factors like Company performance, benchmarking, talent availability and turnover apart from the individual performance of employees
- VI. The increase in remuneration of the Key Managerial Personnel is decided on the parameters set out in the Nomination, Remuneration and Performance Evaluation Policy of the Company, which is directly linked to individual performances as well as the performance of the Business.
- VII. The market capitalization of the Company as on 31<sup>st</sup> March, 2021 was Rs 482 lakhs as compared to Rs 662 Lakhs as on 31st March, 2020. The price-earning ratio of the Company was (-0.35) as at 31st March, 2021 and was (-0.33) at 31st March, 2020. The closing share price of the Company at BSE limited as on 31st March, 2021 being Rs. 3.68 per equity share of face value of 10/- each.
- VIII. There is no increase in the salaries of employees/directors' in the financial year.
- IX. The key parameters for variable component of remuneration availed by the directors: Nil
- X. None of the employee received remuneration in excess of the highest paid Director.

It is hereby affirmed that the remuneration for the year is as per the remuneration policy of the Company:

**Registered Office**

A-5 MIDC Ambad Industrial Area,  
Mumbai Nashi Highway, Nashik -422010

**For and on behalf of the Board of Directors  
of Sudal Industries Limited**

Sd/-

**Sudarshan S Chokhani**  
**Managing Director**  
**DIN: 00243355**

Sd/-

**Mukesh V Ashar**  
**CFO & DIRECTOR**  
**DIN: 06929024**

Place: Mumbai

Date: 06<sup>th</sup> October, 2021

**ANNEXURE - IV****Form No. MR-3****SECRETARIAL AUDIT REPORT**

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

To  
The Members,  
**Sudal Industries Limited**  
A-5, M.I.D.C. Ambad Industrial Area,  
Mumbai-Nashik Highway,  
Nashik - 422010

We have conducted online verification and examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Sudal Industries Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021, according to the provisions of:
  - (i) The Companies Act, 2013 ('the Act') and the rules made there under to the extent applicable;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder were not applicable to the Company under the Financial Year under report.
3. Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
  - (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



- (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client;
  - (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2008;
4. We further report that, having regard to the compliance system prevailing in the Company and based on the information provided, the Company has generally complied with other Acts, Laws and Regulations applicable specifically to the Company viz.
- Industries (Development and Regulation) Act, 1951;
  - Factories Act, 1948;
  - Industrial Disputes Act, 1947;
  - Minimum Wages Act, 1948;
  - Payment of Wages Act, 1936;
  - Sale of Goods Act, 1930.

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

During the financial year under report, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except:

- ***As per sub regulation 1 of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company submitted the Annual Report for the year ended 31st March 2020 after the stipulated time period.***
- ***As per sub-rule 4(v) of Rule 20 of The Companies (Management and Administration) Rules, the publication of notice in the newspaper for the Annual General Meeting to be held on 23rd December 2020 was not published within the stipulated time period.***
- ***As per sub regulation 1(b) of Regulation 31 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholding Pattern for the quarter ended 30th June 2020 was submitted after the stipulated time period.***
- ***The company is yet to file e-form IEPF—1 on the website of the Ministry of Corporate Affairs which was due on 04<sup>th</sup> January 2021.***

**We further report that:**

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

Adequate notice was given to all Directors for Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting, and adequate notice was given to all the members for the Annual General Meeting and notices were dispatched at least twenty-one days in advance of the said meeting;

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

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

We further report that during the year under report, the Company has not undertaken any event/action which would have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except, the



Company has received a letter from the Advocate of Canara Bank intimating the Application filed by Canara Bank (Financial Creditor) with Hon. National Company Law Tribunal, Mumbai Bench. As informed by the Management, there has been no further progress in the matter.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**JAYESH SHAH  
PARTNER  
FCS No.: 5637  
COP No.: 2535**

**UDIN: F005637C001044171**

**Place: Mumbai  
Date: 30<sup>th</sup> September, 2021**

**Note: This report should be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.**

**ANNEXURE – I**

To  
The Members  
**Sudal Industries Limited**  
A-5, M.I.D.C. Ambad Industrial Area,  
Mumbai-Nashik Highway, Nashik – 422 010

Our report of even date is to be read along with this letter.

- 1 Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2 We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
- 3 We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4 Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6 The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**Place: Mumbai  
Date: 30<sup>th</sup> September, 2021**

**JAYESH SHAH  
PARTNER  
FCS No.: 5637  
COP No.: 2535  
UDIN: F005637C001044171**



### ANNEXURE V

#### DISCLOSURE PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014

#### (A) CONSERVATION OF ENERGY

##### (1) Measures taken to Conserve Energy

a)	Stop 40 Hp Aux Pump motor & replace with 7.5 Hp pump motor.	To reduce electricity consumption
b)	Install 5 Hp Vfd To Press 3 Cooling Tower Fan	To reduce electricity consumption
c)	Replace existing 200 w light with 60 w LED lamp	To reduce electricity consumption
d)	Press 5 hydraulic manifold to replace with New design manifold	To reduce electricity consumption
e)	Use Tyre pyrolysis oil in place of furnace oil	To reduce Fuel Cost
f)	To buy maximum readymade billets of required extrusion alloys from primary Producers	To reduce cost of production, energy conservation & recovery.

(2) Steps taken by the company for utilising alternate sources of energy;

(3) Additional Investment Proposed

a)	Install Automatic Operated air Control Valve for homo furnace	To Reduce LPG Consumption
b)	Replace Blower motor From 7.5 HP to 5.0 Hp.	To Reduce Electricity Consumption
c)	Replace Billet Heater Conventional Burner With Ratio control Valve PID operated burner system.	To Reduce LPG Consumption

4) Impact of (I) and (II) Above:

We reduce the power consumption, Maximum Demand & improve efficiency.

Reduce the cost and improve the recovery and quality of the finished product.

## FORM A

## Disclosure of particulars with respect to conservation of energy

Sr No.	Particulars	Current Year 2020-21	Previous Year 2019-20
<b>A</b>	<b>Power and Fuel Consumption</b>		
<b>B</b>			
1.	Electricity		
A)	Purchased (Units)	3290446	4219200
	(Total Amount ₹)	29252240	35577867
	(Average rate/Unit-₹)	8.89	8.43
B)	Own Generation		
(i)	Through Diesel Generator (Units)	—	—
	Units/litres of Diesel Oil	—	—
	(cost/Unit-₹)	—	—
(ii)	Through Gas (Units- Kgs)		
	(Total Amount ₹)	—	—
	Cost per Kg	—	—
2	Gas Purchased units	283280	443670
	(Total Amount ₹)	97580401	20666482
	Cost per Kg	34.53	46.58
3	Coal (Specify Quantity & where used) Qty (Tons)	—	—
	(Total cost ₹)	—	—
	(Average Rate/Ton- ₹)	—	—
4	Furnace Oil (Quantity-Kg)	807955	902898
	Total Amount-₹)	25664317	33827951
	(Average rate/Kg-₹)	31.76	37.47
5	Other (Internal Generation) (Quantity)	—	—
	(Total Cost)	—	—
	(Average cost/Unit-₹)	—	—
<b>B</b>	<b>Consumption per ton of production</b>		
-	Electricity		
-	Furnace Oil (Units)	212.45	206.58
	Aluminium Billets (For casting) (Kgs)	108.08	95.02
	Alloy		
	Coal		
	Others (Specify)		

**ANNEXURE VI****(B) TECHNOLOGY ABSORPTION**

Efforts made towards technology absorption	For the year under review no new efforts were made
Benefits derived like product improvement, cost reduction, product development or import substitution	No benefits derived
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	No technology imported
Year of import	-
Whether the technology has been fully absorbed	Technical assistance for extrusion die.
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Design, manufacturing and correction. Extrusion ageing homogenizing etc., maintenance practices recommended by Reynolds, Germany have been put to practices as per the training to engineer of the Company.
Expenditure incurred on Research and Development	- -

**(C) Foreign exchange earnings and Outgo:**

The Company is exploring the possibility of export of its products. However, exports are not competitive with that of the domestic market

**Registered Office**

A-5 MIDC Ambad Industrial Area,  
Mumbai Nashi Highway, Nashik -422010

**Place: Mumbai**

**Date: 06<sup>th</sup> October, 2021**

**For and on behalf of the Board of Directors  
of Sudal Industries Limited**

Sd/-

**Sudarshan S Chokhani**  
**Managing Director**  
**DIN: 00243355**

Sd/-

**Mukesh V Ashar**  
**CFO & DIRECTOR**  
**DIN: 06929024**

## ANNEXURE – VIII

## MANAGEMENT AND DISCUSSION ANALYSIS

# MANAGEMENT AND DISCUSSION ANALYSIS

## GLOBAL ECONOMIC OVERVIEW

The global growth story continued to decelerate in 2019, marked by a weakness in trade. The trend was visible in advanced and emerging markets. The result is that global economic growth weakened to an estimated 2.4% as per World Bank compared with 3% in the previous year.

The coronavirus (COVID-19) outbreak at the start of 2020 unleashed a health and economic crises, unprecedented in scope and magnitude, with lockdowns and border closures paralyzing economic activity.

In line with economic stimulus measures announced by governments across the world, the Indian government have announced stimulus and reform measures to revive the national economy. The immediate impact of the pandemic was perceived on the aviation, hospitality, tourism and automotive sectors.

## GLOBAL ALUMINIUM MARKET OUTLOOK

The global demand for aluminium will contract by 5.4 per cent in 2020, followed by a prolonged period of slow and staggered recovery, the impact of the COVID-19 pandemic on global economic activity is set to be profound and a deep and potentially extended recession appears inevitable. Global aluminium demand has been hit already, with the automotive and aerospace sectors in particular feeling the full force of the downturn.

The rapid and overwhelming nature of the demand shock caused by COVID-19 is most likely to be followed by a slow and staged 'staircase' shaped recovery, where global aluminium demand recovers on a staggered, sector-by-sector, region-by-region basis.

The impact on China's aluminium demand outlook is likely to be severe over the short-term, although a strong recovery in demand growth through 2021 is forecast.

Aluminium is used mostly in building and construction and transportation sectors apart from its use in manufacturing of electrical cables. Amid the ongoing slowdown, COVID-19 has pushed the world towards negative growth. This will adversely impact the entire metal industry, especially the world's second most important metal, aluminium. Even preCOVID-19, the London Metal Exchange selling price of the metal was stressed (\$1,750/tonne); this has now fallen to a low of \$1,440/tonne, making 90% of the world's smelters unviable. Without any support from the government, aluminium producers will have to shut shop. With a gloomy global forecast and Chinese smelters continuing operations, there will be an inventory glut. End-users are cancelling contracts for primary aluminium in Europe and North America, contracting demand by 5 mn tonnes.

## INDIAN ALUMINIUM & ALUMINIUM EXTRUSION MARKET OUTLOOK

India's GDP forecast falling will impact aluminium demand in the construction, transport, and electrical sectors. Aluminium demand will decelerate by 40-50% unless enough stimulus is given-an extreme distress call of the aluminium industry. Global recession, dumping from China, shrinking markets in the western hemisphere, and semi-finished products through FTA countries like Malaysia and Thailand spell trouble for Indian aluminium exports. India's own aluminium consumption will recover slowly post FY22, to reach ~6-7 mn tonnes by 2025. Revival plan for Indian aluminium industry.

The aluminium industry has a high multiplier for job creation. Every job in primary production creates two more in the downstream and upstream industries. The industry provides livelihood to over 8 lakh people and every 1 mn tonne addition creates an additional 2 lakh livelihood opportunities. Aluminium is the most apt industry for creating livelihoods to achieve the coveted V-shaped recovery from ~2% to ~7% by next year.

## TARIFF SUPPORT RECOMMENDATIONS FOR ALUMINIUM MSMEs:

Immediately impose minimum import price and/or quantitative restriction on imports Safeguard our MSMEs from cheap imports by increasing import duty in the series 7603 to 76016 to 10-15% (existing duties ~7.5- 10%). To be globally competitive, enhance the MEIS scheme from 2% to 5% for all aluminium products under Chapter 76, and implement the RoDTEP (remission of duties or taxes on export products) scheme expeditiously. With all ingredients of competitive raw material availability (bauxite and coal), best-in-



class manpower, and value addition through MSMEs, India has the potential to be self-sufficient and become a global manufacturing hub of aluminium, and can be a strong substitute to China.

### **OPPORTUNITIES AND THREATS**

We are constantly on the lookout for opportunities that knock on our doors, while keeping tab on the likely threats to our business. Opportunities Low penetration of motor vehicles in developing economies and growing industrialization in emerging economies provide wider opportunities for the growth of the Aluminium sector. Threats Competition from low cost manufacturers is likely to continue.

### **RISKS AND AREAS OF CONCERN**

The Company's capability to assess and manage business risks is crucial in achieving targets. In the current economic scenario, the Company perceives the following risks and concerns.

a) Market Competition: The Company is operating in a highly competitive market as market dynamics are forever changing with entry of new players in the field of extrusion manufacturing. New players are targeting resellers consequently old players who were earlier in reseller markets are turning towards end users creating competition for the Company. With free market economy now prevailing in India, high quality imported extrusions are freely available in the local market. Hence unless Indian Extrusion Industry, particularly in the unorganized sector undertakes technological up-gradation in the foreseeable future, over next five years, this sector may be wiped out of the market by availability of cheaper and superior quality imported products.

b) Retention of experienced manpower: Company faces a challenge in retaining the trained work force. The Company has created employee friendly policies and a conducive environment for work life balance.

c) Price Inflation Risk: Fluctuating raw material prices have been witnessed too often over the past few years. Continuous monitoring of aluminium metal inventory in order to get maximum benefit or alternatively to minimize loss by keeping ideal inventory levels in each circumstance is a major challenge, and this is regularly monitored at the highest level in the Company.

**RISK MANAGEMENT** Your Company has a system based approach to business risk management. Backed by a strong internal control system, The Management of the Company periodically reviews the risk management framework to effectively address the emerging challenges in a dynamic business environment. The Company strives to identify opportunities that enhance Organizational values while managing & mitigating risks that can adversely impact its future performance.

### **CAUTIONARY STATEMENT**

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**Place: Mumbai**

**Date: 06<sup>th</sup> October, 2021**



# Independent Auditor's Report

## To The Members of Sudal Industries Limited

### Opinion

We have audited the accompanying financial statements of **Sudal Industries Limited** ("the Company"), which comprises of Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, its loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern:

Without qualifying, we draw attention to note no. 29 to the financial statements of the Company having been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has been continuously incurring losses over last several years and its net-worth stands fully eroded. These conditions indicate the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. As explained by the management, due to a recessionary trend and slackness in demand by user industries, the Company was not able to utilize the capacity optimally along with price volatility; it was incurring the losses in past few years. In order to boost the economy, the government has declared several revival packages, resulting into spur in demand allowing the Company to step up its capacity utilization.

In accordance with the latest Amendment, 2020 to the insolvency law, the Company as per Note No 31 expects to convince the lender bank, financial institution and other unsecured lenders for the settlement of their dues reasonably. Accordingly, the management believes that it is appropriate to prepare the financial statements on a going concern basis. Therefore, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern.

### Emphasis of Matter:

"Other Non-Current Assets" includes amounts receivable from the Government in the form of refund of electricity duty from Maharashtra State Electricity Distribution Company Limited ("MSEDCL") of Rs. 190 Lakhs and Octroi Duty (grant) receivables of Rs. 58.16 Lakhs which has been delayed. The Management expects refund of these amounts on improvement in the current pandemic situation.

Our opinion is not modified in respect of this matter.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance thereon.



In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of and identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representation received from the directors as on March 31, 2021 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has paid/provided for the managerial remuneration in accordance with the requisite approval mandated by the provision of Section 197 with schedule V to the Act.

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No. 28]



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

Place : Mumbai  
Date : 28<sup>th</sup> May, 2021

**Vinay Somani**  
**Partner**  
Membership No: 143503  
UDIN : 21143503AAAAIX3593

**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Sudal Industries Limited of even date:**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment (fixed assets).
- b) According to the information and explanations given to us, the Property plant and equipment (fixed assets) have been physically verified by the management in a phased periodical manner, which in our opinion, is reasonable considering the size of the Company and nature of its Property plant and equipment (fixed assets). As explained, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company title deeds of the immovable property are held in the name of the Company.
- ii) The inventories of the Company have been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in Section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Duty of Customs, Cess, Goods and Service taxes and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute except the following:

Name of the statute	Nature of dues	Amount (Rs. in lakhs)	Period to which the it relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	133.03	AY 2013-14	Commissioner of Income Tax (Appeals-8), Mumbai
		22.31	AY 2014-15	

- i) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of principal amount of Rs. 3,240.74 lakhs and interest amount of Rs. 5248.16 lakhs to a banker, Canara Bank (formerly known as Syndicate Bank now merged with Canara Bank) and Rs.474.60 lakhs to a financial institution, Small Industries Development Bank of India (SIDBI) for the period from September, 2014 to March, 2021. Further, during the year, the Company has not taken any loans or borrowings from government or issued any debentures.
- ii) The Company has not raised any money by way of initial public offer or further public offer (including debt



instruments) during the year or in the recent past or has not taken term loans and hence the provisions of para 3(ix) of the Order is not applicable.

- iii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- iv) According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- v) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- vi) According to the information and explanations given to us, the provisions of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 43 to the Financial Statements.
- vii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- viii) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- ix) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No:

113447W/W-100019

Place : Mumbai  
Date : 28<sup>th</sup> May, 2021

**Vinay Somani**

**Partner**

Membership No: 143503

UDIN : 21143503AAAAIX3593

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Sudal Industries Limited of even date:**

**Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Sudal Industries Limited** “the Company”) as of 31<sup>st</sup> March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management; (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the Company from time to time.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No:  
113447W/W-100019

Place : Mumbai  
Date : 28<sup>th</sup> May, 2021

**Vinay Somani**  
**Partner**  
Membership No: 143503  
UDIN : 21143503AAAAIX3593



# Balance Sheet as at 31st March, 2021

Particulars	Note No.	As at 31st March, 2021 Rs. in Lakhs	As at 31st March, 2020 Rs. in Lakhs
<b>A. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	4,187.18	4,494.21
(b) Financial assets			
(i) Investments	3	0.08	0.08
(ii) Other financial assets	4	8.56	-
(c) Non-current tax assets (net)	5	78.48	95.38
(d) Other non-current assets	6	293.81	286.38
<b>Total-Non current assets</b>		<b>4,568.11</b>	<b>4,876.05</b>
<b>(2) Current assets</b>			
(a) Inventories	7	1,138.07	849.44
(b) Financial assets			
(i) Trade receivables	8	783.10	693.44
(ii) Cash and cash equivalents	9	95.73	141.16
(iii) Bank balances other than cash and cash equivalents	10	7.96	7.96
(iv) Other current financial assets	11	48.08	18.54
(c) Other current assets	12	6.00	3.88
<b>Total-Current assets</b>		<b>2,078.94</b>	<b>1,714.43</b>
<b>TOTAL-ASSETS</b>		<b>6,647.05</b>	<b>6,590.48</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	13a	736.78	736.78
(b) Other equity	13b	(6,746.57)	(5,364.50)
<b>Total Equity</b>		<b>(6,009.79)</b>	<b>(4,627.72)</b>
<b>(2) Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	14	77.99	384.89
(b) Provisions	15	132.52	138.09
<b>Total-Non current liabilities</b>		<b>210.51</b>	<b>522.98</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	533.81	1,809.33
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,099.72	985.83
(iii) Other financial liabilities	18	10,645.80	7,727.16
(b) Other current liabilities	19	108.19	122.68
(c) Provisions	20	58.81	50.22
<b>Total-Current liabilities</b>		<b>12,446.33</b>	<b>10,695.22</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>		<b>6,647.05</b>	<b>6,590.48</b>
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	1 to 50		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 28th May, 2021

**For and on behalf of the Board of Directors**

**Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

Whole time Director & CFO

DIN:06929024



## Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	For the year ended 31st March, 2021 Rs. in Lakhs	For the year ended 31st March, 2020 Rs. in Lakhs
<b>I</b> Revenue from operations	<b>21</b>	<b>8,176.01</b>	9,201.18
<b>II</b> Other income	<b>22</b>	<b>46.72</b>	-
<b>III Total Revenue</b>		<b>8,222.73</b>	9,201.18
<b>IV Expenses:</b>			
Cost of materials consumed	<b>23</b>	<b>6,106.81</b>	7,813.92
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	<b>24</b>	<b>(137.37)</b>	(48.76)
Employee benefits expense	<b>25</b>	<b>347.01</b>	361.86
Finance costs	<b>26</b>	<b>1,739.06</b>	1,550.93
Depreciation and amortization expense	<b>2</b>	<b>291.39</b>	302.67
Other expenses	<b>27</b>	<b>1,236.81</b>	1,569.60
<b>Total Expenses</b>		<b>9,583.71</b>	11,550.22
<b>V Loss before exceptional items and tax</b>		<b>(1,360.98)</b>	(2,349.04)
<b>VI</b> Exceptional items (refer note no.34)		-	341.55
<b>VII Loss before tax</b>		<b>(1,360.98)</b>	(2,690.59)
<b>VIII Tax Expense:</b>			
Taxation for earlier years		<b>21.82</b>	167.88
<b>IX Loss for the year</b>		<b>(1,382.80)</b>	(2,858.47)
<b>X Other comprehensive income</b>			
Items that will not be reclassified to profit or loss-			
Defined benefit plans		<b>0.72</b>	1.21
<b>XI Total comprehensive income for the year</b>		<b>(1,382.08)</b>	(2,857.26)
Earnings per equity share of face value of Rs. 10 each (Rs.):			
Basic & Diluted	<b>36</b>	<b>(18.77)</b>	(38.80)
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 50</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 28th May, 2021

**For and on behalf of the Board of Directors**

**Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

Whole time Director & CFO

DIN:06929024

## Statement of Cash Flow for the year ended 31st March, 2021

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2021		For the year ended 31st March, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Loss before taxation and exceptional item		(1,360.26)		(2,515.71)
Adjustments for:				
Depreciation and amortization expense	291.39		302.67	
Interest Expenditure	1,739.06		1,550.93	
Loss on sale/ Discard of Property, Plant & Equipment	100.80	2,131.26	176.08	2,029.68
<b>Operating profit/ (loss) before working capital changes</b>		<b>771.00</b>		<b>(486.03)</b>
Adjustments for:				
(Increase)/ decrease in inventories	(288.64)		(1.32)	
(Increase)/ decrease in trade receivables	(89.67)		398.48	
(Increase)/ decrease in other assets	(47.64)		231.79	
Increase/ (decrease) in trade payables	113.89		187.36	
Increase/ (decrease) in other liabilities	(318.35)	(630.40)	(250.35)	565.96
<b>Cash generated from operations</b>		<b>140.60</b>		<b>79.93</b>
Direct Taxes Paid (Net)		(4.92)		(2.58)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>135.67</b>		<b>77.35</b>
<b>B. CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
Purchase of Property, Plant & Equipment including Pre-operative Expenses		(85.31)		(107.73)
Sale of Property, Plant & Equipment		0.18		31.57
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(85.13)</b>		<b>(76.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings Increase/ (Decrease) [Net]		(24.57)		(47.35)
Interest Paid		(71.41)		(40.32)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(95.98)</b>		<b>(87.67)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(45.43)</b>		<b>(86.48)</b>
CASH AND CASH EQUIVALENTS - AT THE BEGINNING OF THE YEAR		141.16		227.64
<b>CASH AND CASH EQUIVALENTS - AT THE END OF THE YEAR</b>		<b>95.73</b>		<b>141.16</b>
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 50</b>			

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 28th May, 2021

**For and on behalf of the Board of Directors****Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

Whole time Director &amp; CFO

DIN:06929024



## Statement of Changes in Equity for the year ended 31st March, 2021

### (a) EQUITY SHARE CAPITAL

Particulars	Notes	Rs. in Lakhs
<b>Balance as at 1st April, 2020</b>	13a	<b>736.78</b>
Changes in share capital during the year	-	
<b>Balance as at 31st March, 2021</b>	13a	<b>736.78</b>

### (b) OTHER EQUITY

Rs. in Lakhs

Particulars	Notes	Reserves and Surplus				Other comprehensive income - Actuarial gain/(loss)	Total
		Revaluation reserve	Capital reserve	Security Premium	Retained earnings		
<b>Balance as at 1st April, 2019</b>	13b	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(3,571.08)</b>	<b>9.22</b>	<b>(2,507.24)</b>
Loss for the year		-	-	-	(2,858.47)	-	(2,858.47)
Other comprehensive income for the year (Net)		-	-	-	-	1.21	1.21
<b>Balance as at 31st March, 2020</b>	13b	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(6,429.55)</b>	<b>10.43</b>	<b>(5,364.50)</b>
Loss for the year					(1,382.80)	-	(1,382.80)
Other comprehensive income for the year (Net)		-	-	-	-	0.72	0.72
<b>Balance as at 31st March, 2021</b>	13b	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(7,812.35)</b>	<b>11.15</b>	<b>(6,746.58)</b>
<b>Significant accounting policies and accompanying notes forming integral part of the financial statements</b>	1 to 50						

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 28th May, 2021

**For and on behalf of the Board of Directors****Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

Whole time Director &amp; CFO

DIN:06929024

# Notes to the financial statements for the year ended 31st March, 2021

## 1 Statement of significant accounting policies and practices:

### I. Background and Operations

Sudal Industries Limited ("the company") is a public limited company domiciled in India and is incorporated under the provision of the Companies Act applicable in India. Its shares are listed on Bombay Stock Exchange (BSE)- CIN : L21541MH1979PLC021541.

The registered office of the Company is located at A-5, MIDC, Ambad Industrial Estate, Mumbai Nashik Highway, Nashik - 422010 (Maharashtra).

The Company is engaged in the manufacturing of Aluminium Extrusions and Aluminium based Alloys. The Products are made by melting of Aluminium Ingots into Alloy Billets and further extruded to manufacture extrusions.

### II. Significant accounting policies

#### (a) Basis of preparation of Financial Statements

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with of the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act.

##### (ii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013. Transaction and balances with values have been rounded off in Lakhs. Due to rounding off, the number presented throughout the financial statement may not add up precisely to reflect the absolute figure.

(iii) New Material accounting pronouncement, which are not yet effective. The ministry of corporate affairs "MCA" notify new standard or amendment to the existing standard. There is no such notification which would have been applicable from April 01, 2021.

#### (b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

##### (i) Contingent liabilities and contingent assets

**Contingent liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



**Contingent assets** : Contingent assets are neither recognised or disclosed in the financial statements.

**(ii) Measurement of defined benefit obligations**

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis. The assumptions used in determining the net interest cost/ (income) for defined benefit plans and include the discount rate. Any changes in these assumptions will impact the carrying amount of defined benefit obligations.

**(c) Property, plant and equipment**

Leasehold Land, Buildings, Plant and Machinery and Electrical Installations are stated at deemed cost less depreciation and impairment, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Other Assets are stated at deemed cost less depreciation.

**Depreciation methods, estimated useful lives and residual value**

- (i) On Buildings, depreciation is provided on straight line method at the useful life specified in Schedule II to the Companies Act, 2013.
- (ii) On plant and equipment, the depreciation is provided as per the life specified for continuous Industrial unit in Schedule II to Companies Act, 2013.
- (iii) On vehicles, Furniture & Fixtures and Office Equipments, depreciation is provided on written down value method as per the life specified in Schedule II to Companies Act, 2013.

**(d) Intangible assets**

**Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

**Amortisation method**

The Company amortizes computer software with a useful life using the straight-line method over the period of 2-3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

**(e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**(f) Trade receivables**

Trade receivables are recognised at the value of sales less provision for doubtful debt and expected credit loss.

**(g) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated at cost or net realisable value, whichever is lower'. Cost comprises all cost of purchase, cost

of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'First in First Out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

## (h) Investments and other financial assets

### (i) Classification

The Company classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss): and

\* those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income.

### (ii) Measurement

At initial recognition, the Company measures a financial asset at its cost /fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

#### Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

#### Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

### (iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**(i) Borrowings**

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

**(j) Borrowing costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

**(k) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

**(l) Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

**Sale of goods**

Revenue from the sale of goods is recognised when the control of the goods passes to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Export sales are recognized based on the shipped on board date as per bill of lading, which is when substantial risks and rewards of ownership are passed to the customers.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, insurance etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

Claims/ Refunds not ascertainable with reasonable certainty are accounted for, on final settlement and are recognized as revenue.

**Revenue from services**

Conversion job income is accounted for on the completion of the job.

**Dividend Income**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.



**(m) Employee benefits**

Defined contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred.

**Defined Benefit Plans** - The present value of the obligation which is not funded under such plan, is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognised immediately in the Profit and Loss Account.

Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

**(n) Foreign currency transactions**

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

**(p) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**(p) Earnings Per Share****Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted



for bonus elements in equity shares issued during the year and excluding treasury shares.

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **(q) Government Grants**

**Grants and subsidies from the government are recognized if the following conditions are satisfied:**

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants or subsidies given with reference to the total investment in an undertaking or setting up of new industrial undertaking is treated as capital receipt and credited to capital reserve. The said capital reserve will not be available for distribution of dividend nor is considered as deferred income.

#### **(r) Leases**

Lease policy The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use assets ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and right-of-use assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## Notes to the financial statements for the year ended 31st March, 2021

### Note : 2a - Property, plant and equipment

Rs. in Lakhs

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount:</b>								
<b>Deemed cost as at 1st, April, 2019</b>	38.71	560.12	800.32	4,598.29	3.72	34.50	7.19	6,042.85
Additions	-	-	-	107.73	-	-	-	107.73
Disposals	-	387.55	-	220.09	-	-	-	607.64
<b>Balance as at 31st March, 2020</b>	38.71	172.57	800.32	4,485.93	3.72	34.50	7.19	5,542.94
Additions	-	-	-	85.31	-	-	-	85.31
Disposals	-	-	-	136.38	-	11.95	-	148.33
<b>Balance as at 31st March, 2021</b>	<b>38.71</b>	<b>172.57</b>	<b>800.32</b>	<b>4,434.86</b>	<b>3.72</b>	<b>22.54</b>	<b>7.19</b>	<b>5,479.92</b>
<b>Accumulated Depreciation:</b>								
<b>Balance as at 1st April, 2019</b>	-	18.46	96.42	663.90	1.96	21.63	2.13	804.50
Depreciation charge for the year	-	2.79	32.14	263.41	0.31	3.59	0.43	302.67
Disposals	-	14.42	-	44.02	-	-	-	58.44
<b>Balance as at 31st March, 2020</b>	-	6.83	128.56	883.29	2.27	25.22	2.56	1,048.73
Depreciation charge for the year	-	2.79	32.14	254.15	0.18	1.86	0.26	291.39
Disposals	-	-	-	36.37	-	11.02	-	47.39
<b>Balance as at 31st March, 2021</b>	-	<b>9.63</b>	<b>160.70</b>	<b>1,101.08</b>	<b>2.45</b>	<b>16.06</b>	<b>2.82</b>	<b>1,292.74</b>
<b>Net Carrying Amount:</b>								
<b>As at 31st March, 2020</b>	<b>38.71</b>	<b>165.74</b>	<b>671.76</b>	<b>3,602.64</b>	<b>1.45</b>	<b>9.28</b>	<b>4.62</b>	<b>4,494.21</b>
<b>As at 31st March, 2021</b>	<b>38.71</b>	<b>162.94</b>	<b>639.62</b>	<b>3,333.78</b>	<b>1.27</b>	<b>6.49</b>	<b>4.37</b>	<b>4,187.18</b>

### Note : 2b - Intangible assets

Rs. in Lakhs

Particulars	Computer Software	Total
<b>Gross Carrying Amount:</b>		
<b>Deemed cost as at 1st, April, 2019</b>	0.82	0.82
Additions	-	-
Disposals	-	-
<b>Balance as at 31st March, 2020</b>	0.82	0.82
Additions	-	-
Disposals	-	-
<b>Balance as at 31st March, 2021</b>	<b>0.82</b>	<b>0.82</b>
<b>Accumulated Depreciation:</b>		
<b>Balance as at 1st April, 2019</b>	0.82	0.82
Additions	-	-
Disposals	-	-
<b>Balance as at 31st March, 2020</b>	0.82	0.82
Depreciation charge for the year	-	-
Disposals	-	-
<b>Balance as at 31st March, 2021</b>	<b>0.82</b>	<b>0.82</b>
<b>Net Carrying Amount:</b>		
<b>As at 31st March, 2020</b>	-	-
<b>As at 31st March, 2021</b>	-	-

Notes :

- (i) Refer Note 37 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.
- (ii) Leasehold land is under lease arrangement for a period of 99 years commencing from May,1980.



## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 3</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Non current investments</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Equity Instruments (Long term Unquoted and valued at cost)		
100 Shares of The Jankalyan Sahakari Bank Limited @ Rs.10 each	<b>0.01</b>	0.01
400 Shares of Nashik Merchants Co.op.Bank Limited @ Rs.10 each	<b>0.04</b>	0.04
250 Shares of The Kalyan Janata Sahakari Bank Limited @ Rs.10 each	<b>0.03</b>	0.03
<b>Aggregate cost of Unquoted Investments</b> <b>Total</b>	<b>0.08</b>	0.08
Aggregate amount of unquoted investments .	<b>0.08</b>	0.08
Aggregate amount of impairment in value of investments.	<b>Nil</b>	Nil

<b>Note: 4</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other financial assets</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Balances with Banks (Operation denied)	<b>8.56</b>	-
<b>Total</b>	<b>8.56</b>	-

<b>Note: 5</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Non-current tax assets (net)</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Advances income tax (net)	<b>78.48</b>	73.56
MAT credit entitlement	-	21.82
<b>Total</b>	<b>78.48</b>	95.38

<b>Note: 6</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other non-current assets</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Claim receivable (Refer note no. 40)	<b>190.00</b>	190.00
Octroi duty receivable (Refer note no. 40)	<b>58.16</b>	58.17
Deposit with Government/ Semi-Government Authorities	<b>35.50</b>	35.48
Advance for capital assets	<b>7.43</b>	-
Others	<b>2.72</b>	2.73
<b>Total</b>	<b>293.81</b>	286.38

## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 7</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Inventories</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>(As taken, valued and certified by the Management)</b>		
Raw Materials	<b>81.39</b>	8.57
Work-in-process	<b>852.86</b>	671.09
Finished goods	<b>58.91</b>	103.31
Stores and spares	<b>144.91</b>	66.47
<b>Total</b>	<b>1,138.07</b>	849.44

Refer note no. 37 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.

<b>Note: 8</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Trade receivables</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Considered good - Unsecured	<b>799.71</b>	710.04
Credit impaired	<b>21.28</b>	90.90
	<b>820.99</b>	800.94
Less : Provision for Doubtful debts including expected credit Loss	<b>(37.89)</b>	(107.50)
<b>Total</b>	<b>783.10</b>	693.44

(Refer note no. 37 for Trade Receivables offered as security and note no. 44 (iii) for Credit Risk)

<b>Note: 9</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Cash and cash equivalents</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Balances with Banks:</b>		
In Current Accounts	<b>38.15</b>	91.12
In Deposit Account	<b>57.37</b>	49.76
<b>Cash on hand</b>	<b>0.21</b>	0.29
<b>Total</b>	<b>95.73</b>	141.16

<b>Note: 10</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Bank balances other than cash and cash equivalents</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Unpaid dividend accounts	<b>2.96</b>	2.96
Fixed deposits (lien to bank)	<b>5.00</b>	5.00
<b>Total</b>	<b>7.96</b>	7.96

Note : Unpaid dividend amount due to continuing initial lock down and subsequent restriction on out break of COVID 19, Pandemic , the bank could not remit the fund into government account.



## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 11</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other current financial assets</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Unsecured, considered good</b>		
Deposits for premises to others	<b>0.35</b>	-
Advances to staff	<b>4.32</b>	3.87
Advance to suppliers	<b>41.74</b>	13.01
Other deposits	<b>1.67</b>	1.66
<b>Total</b>	<b>48.08</b>	18.54

<b>Note: 12</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other current assets</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Prepaid expenses	<b>6.00</b>	3.88
<b>Total</b>	<b>6.00</b>	3.88

<b>Note: 13</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>(a) Equity share capital</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Authorised</b>		
<b>Equity shares, of Rs.10 each</b>	<b>750.00</b>	750.00
7,500,000 Nos. (31st March 20 - 7,500,000 Nos.)		
<b>Issued</b>		
<b>Equity shares, of Rs.10 each</b>	<b>747.00</b>	747.00
7,470,012 Nos. (31st March 20 - 7,470,012 Nos.)		
<b>Subscribed and paid-up</b>		
<b>Equity shares, of Rs.10 each, fully paid up</b>	<b>736.78</b>	736.78
7,367,818 Nos. (31st March 20 - 7,367,818 Nos.)		
<b>Total</b>	<b>736.78</b>	736.78

### 1. Details of shareholding more than 5%:

<b>Particulars</b>	<b>As at 31st March, 2021</b>		<b>As at 31st March, 2020</b>	
	<b>No.of Shares</b>	<b>% held</b>	<b>No.of Shares</b>	<b>% held</b>
1 Sudarshan Shriram Chokhani	<b>15,33,587</b>	<b>20.81</b>	15,33,587	20.81
2 Shyantanu Sudarshan Chokhani	<b>12,18,200</b>	<b>16.53</b>	12,18,200	16.53
3 Renu Sudarshan Chokhani	<b>11,00,725</b>	<b>14.94</b>	11,00,725	14.94
4 Sudal Enterprises Private Limited	<b>7,90,488</b>	<b>10.73</b>	7,90,488	10.73

## Notes to the financial statements for the year ended 31st March, 2021

### 2. Terms/rights attached to equity shares

- i) The Company has only one class of equity shares having a par value of Rs.10 each. Each holder of equity shares is entitled to one vote per share.
- ii) The Company has not issued any aggregate number and class of shares as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.
- iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exist currently.

### 3. The reconciliation of the number of shares outstanding at beginning of the year and at the end for the period of five years immediately preceding the Balance Sheet date

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
<b>Balance as at the beginning of the year</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>
i) Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii) Shares issued as fully paid up bonus shares	-	-	-	-	-
iii) Allotment on conversion of Optionally Fully Convertible Warrants	-	-	-	-	-
(iv) Shares bought back	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>	<b>73,67,818</b>

### (b) Other equity

- (i) Summary of other equity balance.

Rs. in Lakhs

Particulars					Others-	Total
	Revaluation reserve	Capital reserve	Security Premium	Retained earnings	Actuarial gain/ (loss)	
<b>Balance as at 31st March, 2020</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(6,429.55)</b>	<b>10.43</b>	<b>(5,364.50)</b>
Loss for the year	-	-	-	(1,382.80)	-	(1,382.80)
Other comprehensive income for the year	-	-	-	-	0.72	<b>0.72</b>
<b>Balance as at 31st March, 2021</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(7,812.35)</b>	<b>11.15</b>	<b>(6,746.57)</b>

- (ii) Nature and purpose of reserves

- A. **Capital Reserve** : Government Grants given for enhancement of capacity & employment has been recognised as Capital Reserve.
- B. **Security Premium** : The amount received in excess of face value of preferential shares to promoters is recognised in Securities Premium Reserve.



## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 14</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other financial liabilities</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Suppliers credit from related parties	77.99	384.89
<b>Total</b>	<b>77.99</b>	<b>384.89</b>
<b>Note: 15</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Provisions</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Provision for gratuity	101.73	106.73
Provision for compensated absences	30.79	31.36
Refer Note No 42 for defined benefit plans (Gratuity) <b>Total</b>	<b>132.52</b>	<b>138.09</b>
<b>Note: 16</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Borrowings</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Unsecured:</b>		
Inter Corporate Deposits( inclusive of over due interest of Rs. 132.07 Lakhs; Previous Year Rs. 1,006.09 Lakhs)	533.81	1,809.33
<b>Total</b>	<b>533.81</b>	<b>1,809.33</b>
(For terms and conditions - Refer note no.32)		
<b>Note: 17</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Trade payables</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Dues of micro enterprises and small enterprises (Refer note no.38)	-	-
Dues of creditors other than micro enterprises and small enterprises	1,099.72	985.83
<b>Total</b>	<b>1,099.72</b>	<b>985.83</b>



## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 18</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other financial liabilities</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
<b>Secured:</b>		
Overdue with banks		
Principal	<b>3,240.74</b>	3,240.74
Interest accrued	<b>5,248.16</b>	4,071.98
	<b>8,488.90</b>	7,312.72
Interest accrued but not due	<b>4.35</b>	3.57
Vehicle Loan	<b>0.41</b>	1.34
From Financial Institutions:		
Working Capital Term Loan (inclusive of interest of Rs. 105.77 Lakhs Previous Year Rs 65.06 lakhs)	<b>474.60</b>	409.53
Inter Corporate Deposits( inclusive of over due interest of Rs. 1276.03 Lakhs)	<b>1,677.54</b>	-
<b>Total</b>	<b>10,645.80</b>	7,727.16
(For terms and conditions - Refer note no.32)		
<b>Note: 19</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Other current liabilities</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Unpaid Dividends#	<b>2.96</b>	2.96
Advance from customers	<b>82.49</b>	102.14
Statutory dues	<b>22.74</b>	17.57
<b>Total</b>	<b>108.19</b>	122.68
Note : Unpaid dividend amount due to continuing initial lock down and subsequent restriction on out break of COVID 19, Pandemic , the bank could not remit the fund into government account.		
<b>Note: 20</b>	<b>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
<b>Provisions</b>	<b>Rs. in Lakhs</b>	<b>Rs. in Lakhs</b>
Provision for gratuity	<b>50.06</b>	44.44
Provision for compensated absences	<b>8.75</b>	5.78
<b>Total</b>	<b>58.81</b>	50.22
Refer Note No 42 for defined benefit plans (Gratuity)		



## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 21</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Revenue from operations</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
<b>Sale of Products</b>		
Aluminium based products	<b>8,007.33</b>	9,050.11
<b>Sale of Services</b>		
Job charges	<b>112.69</b>	98.13
<b>Other Operating Income</b>		
Sale of Scrap	<b>55.99</b>	52.94
<b>Total</b>	<b>8,176.01</b>	9,201.18

### Note:

As per Para 17 of IND AS 18 - Revenue recognition: the management has made provision for expected sales return of Rs.Nil lakhs; (previous year Rs.16.61 Lakhs) based on the past experiences.

<b>Note: 22</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Other Income</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Sundry balance/ liability no longer required written back (net)	<b>46.72</b>	-
<b>Total</b>	<b>46.72</b>	-

<b>Note: 23</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Cost of materials consumed</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Consumption of raw materials	<b>6,018.13</b>	7,693.32
Consumption of Stores and spare parts	<b>88.68</b>	120.60
<b>Total</b>	<b>6,106.81</b>	7,813.92

<b>Note: 24</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
<b>Opening Stock</b>		
Finished goods	<b>103.31</b>	47.81
Work-in-process	<b>671.09</b>	677.83
	<b>774.40</b>	725.64
<b>Closing Stock</b>		
Finished goods	<b>58.91</b>	103.31
Work-in-process	<b>852.86</b>	671.09
	<b>911.77</b>	774.40
<b>Total</b>	<b>(137.37)</b>	(48.76)

## Notes to the financial statements for the year ended 31st March, 2021

<b>Note: 25</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Employee benefits expense</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Salaries, Wages and Bonus	<b>311.86</b>	316.58
Contribution to Provident and other funds	<b>23.12</b>	28.59
Staff Welfare expenses	<b>12.03</b>	16.69
<b>Total</b>	<b>347.01</b>	361.86
<b>Note: 26</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Finance costs</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Interest expenses	<b>1,733.51</b>	1,540.99
Other borrowing costs	<b>5.55</b>	9.94
<b>Total</b>	<b>1,739.06</b>	1,550.93
<b>Note: 27</b>	<b>For the year ended 31st March, 2021</b>	For the year ended 31st March, 2020
<b>Other expenses</b>	<b>Rs. in Lakhs</b>	Rs. in Lakhs
Power and Fuel	<b>649.09</b>	862.26
Labour Charges	<b>136.56</b>	122.28
Repairs and Maintenance Expenses:		
Repairs to Plant & Machinery	<b>2.74</b>	33.03
Repairs to building	<b>4.38</b>	2.03
Repairs - Others	<b>26.44</b>	28.96
Packing Charges	<b>46.77</b>	60.03
Insurance	<b>5.48</b>	4.11
Telephone and Postage	<b>10.54</b>	11.57
Travelling and Conveyance	<b>8.87</b>	17.55
Directors' Sitting Fees	<b>0.89</b>	0.86
Legal and Professional Charges	<b>119.32</b>	98.22
Auditors' Remuneration (Refer Note No 35)	<b>10.69</b>	9.16
Rates and Taxes	<b>2.23</b>	1.69
Transportation	<b>12.64</b>	13.20
Retainership Charges	<b>48.52</b>	47.21
Rent	<b>0.27</b>	-
Sundry Balance Written off - Net	<b>-</b>	8.17
Loss on Sale/ Discard of Property, Plant & Equipment	<b>100.80</b>	176.08
Miscellaneous Expenses	<b>50.58</b>	73.19
<b>Total</b>	<b>1,236.81</b>	1,569.60



## Notes to the financial statements for the year ended 31st March, 2021

### 28 (a). Contingent liabilities not provided in respect of:

Particulars	As at 31st March, 2021 Rs. in Lakhs	As at 31st March, 2020 Rs. in Lakhs
Disputed income tax demand for earlier assessment years	155.34	155.34

The management is reasonably confident that no liability will be devolve on the Company.

(b) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authority. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonable expect that no liability will be devolved on the Company

29 The Company has been continuously incurring losses over last several years and its net worth stands fully eroded. As explained by the management, due to a recessionary trend and slackness in demand by user industries, the Company was not able to utilize the capacity optimally along with price volatility; it was incurring the losses in past few years. In order to boost the economy, the government has declared several revival packages, resulting into spur in demand allowing the Company to step up its capacity utilization.

In accordance with the latest Amendment, 2020 to the insolvency law, the Company as per Note No 31 expects to convince the lender bank, financial institution and other unsecured lenders for the settlement of their dues reasonably. Accordingly, the management believes that it is appropriate to prepare the financial statements on a going concern basis. Therefore, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern

30 As a result of the nationwide lockdown imposed by the Government of India, the operations of the Company were temporarily disrupted at its variou manufacturing facilities impacting production and dispatches from the second half of March 2020. The Company had resumed the operations since May 2020 in compliance with the guidelines issued by respective authorities and is countinuing to take adequate precatons for safty and wellbeing of employees. In view of recent surge in COVID-19 cases, few states reintroduced some restrictions and the Company countinue to be vigilant and cautious.

The Company has considered the possible impact of COVID-19 in preparation of financial statements. The impact of the global health pandemic may be different from that estimates as at the date of approval of financial statements. Considering the countinuing uncertainties, the Company will countinue to closely monitor any material changes to the future economic conditions.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the management will continue to closely monitor any material changes to future economic conditions.

31 Earlier the lender bank had issued a notice under section 13(2) of the SARFAESI Act, 2002 for recovery of their dues and also continue to have symbolic possession of the manufacturing facility. Further , in May 2021 another Financial Institution has approached the NCLT for the recovery of their dues. The Management expects to arrive at a settlement in due course of time with the lender bank, financial institution and other unsecured lenders.

### 32 Secured Loans:

(a) Term Loan from Bank of Rs.610.10 Lakhs (including interest of Rs.348.85 Lakhs) (as on 31st March, 2020 Rs.533.88 Lakhs including interest of Rs. 272.63 Lakhs ) carrying Interest of base rate plus 3.50 percent (previous year base rate plus 3.50 percent) are secured by way of hypothecation of two press and is also personally guaranteed by two directors of the Company.

(b) Non fund based limit utilised Rs. Nil (as on 31st March, 2020 Rs.Nil ) and Cash Credit Rs.4408.33 Lakhs (including interest of Rs.2678.84 Lakhs) (as on 31st March, 2020 Rs. 3782.80 Lakhs including interest of Rs. 2053.31 Lakhs ) carrying Interest of base rate plus 4.75 percent (as on 31st March, 2020 base rate plus 4.75 percent) are secured by hypothecation of stocks and book debts and is also personally guaranteed by two directors of the Company.

## Notes to the financial statements for the year ended 31st March, 2021

- (c) Vehicle Loan of Rs.0.41 Lakhs (Previous year Rs.1.34 Lakhs) (Interest @ 8.75%/10.25% ; previous year @ 8.75%/10.25% ) are repayable over a period of 3 years and secured by hypothecation of Vehicle purchased their against.
- (d) Working Capital Term Loan (WCTL) from Bank of Rs.3470.47 Lakhs (including interest of Rs.2220.47 Lakhs) (as on 31st March, 2020 Rs.2996.04 Lakhs including interest of Rs. 1746.04 Lakhs ) carrying Interest of base rate plus 5 percent (previous year base rate plus 5 percent) is secured by way of hypothecation of all stocks at factory/ consignment agents and book debts (residual value after meeting the DP for ODBD limits) and secured by 1st charge of mortgage of factory land and building and hypothecation of other fixed assets of the company unit at MIDC, Ambad, Nashik and is also personally guaranteed by the two directors of the company. Loan repayable in 36 equal monthly installment from January, 2016. Interest to be paid on monthly basis from the day one.
- (e) Working Capital Term Loan from Financial Institution of Rs.474.60 Lakhs (as on 31st March, 2020 Rs.409.53 Lakhs ), Interest @ 13.50%, secured by 2nd Charge of Mortgage of immoveable properties and 2nd Charge on hypothecation of all Moveable Fixed Assets, and all other Current Assets of the Company. The same is Personally Guaranteed by the Managing Director of the Company. The loan is repayable in 60 monthly installments from 1st July, 2016. Interest is payable on monthly basis.

### Unsecured Loans:

Interest rate range between 15% to 21% (Previous year 15% to 21%) and are repayable within 1 year (Previous year repayable within 1 year) with the right of renewal.

- 33** The accounts of trade receivable and payable and Loans and Advances are subject to formal confirmations/ reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial.
- 34** Exceptional items represents loss incurred on Lease Hold Land allotted to Company in 2011 by MIDC, Dhule has been re-possessed for not setting up the projects within stipulated time and had issued refund order during the previous year.

### 35 Auditors' Remuneration include:

Particulars	2020-2021	2019-2020
	Rs. in Lakhs	Rs. in Lakhs
Audit Fees	6.00	4.00
Certification	4.50	4.50
Out of Pocket Expenses (excluding GST)	0.19	0.66
	<b>10.69</b>	9.16

### 36 Earning Per Share:

Particulars	2020-2021	2019-2020
	Rs. in Lakhs	Rs. in Lakhs
Loss as per Profit and Loss Account	(1,382.80)	(2,858.47)
Basic and Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	<b>73,67,818</b>	73,67,818
Nominal value per Equity Shares( Rs.)	<b>10</b>	10
Basic and Diluted earning per share (Rs.)	<b>(18.77)</b>	(38.80)



## Notes to the financial statements for the year ended 31st March, 2021

### 37 Assets offered as security

The carrying amounts of assets offered as security for current and non-current borrowings are:

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Rs. in Lakhs	Rs. in Lakhs
<b>Current Assets</b>		
Trade Receivables	783.10	591.30
Inventories	1,138.07	849.44
<b>Total Current assets offered as security</b>	<b>1,921.18</b>	1,440.74
<b>Non Current Assets</b>		
Furniture, fittings & fixtures	3.72	3.72
Plant & Equipments	4,434.86	4,485.93
Others -Land &Buildings	585.34	972.90
<b>Total non-current assets offered as security</b>	<b>5,023.92</b>	5,462.55
<b>Total assets offered as security</b>	<b>6,945.10</b>	<b>6,903.29</b>

- 38** The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
- 39** The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and Aluminium based alloys. All of Company's operations are located in India and are subject to the same risks and returns. Therefore, no separate segment reporting is provided in terms of Ind As "Segment Reporting".
- 40** "Other Non-Current Assets" includes amounts receivable from the Government in the form of refund of electricity duty from Maharashtra State Electricity Distribution Company Limited ("MSEDCL") of Rs. 190 Lakhs and Octroi Duty (grant) receivables of Rs. 58.16 Lakhs which has been delayed. The Management expects refund of these amounts on improvement in the current pandemic situation.
- 41 Income Taxes**

#### Tax expense recognized in the Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax	-	-
Deferred tax	-	-
<b>Total income tax expense/(credit)</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31st March, 2021

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Reconciliation of effective tax rate	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit before tax	(1,360.98)	(2,690.59)
Enacted income tax rate in India	26.00%	26.00%
Computed Expected Tax Expense	(353.86)	(699.55)
<b>Tax Expense Recognised in Statement of Profit and Loss</b>	<b>(353.86)</b>	<b>(699.55)</b>
<b>Differences due to:</b>		
Allowance for deferred tax assets not recognised on losses	353.86	699.55
Total income tax expense/(credit)	-	-

### Deferred Tax

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unabsorbed losses/depreciation	1,081.60	1,057.41
Expenses allowable on payment and others	57.14	52.70
Fixed assets (Depreciation/ amortisation)	(806.56)	(729.47)
Remeasurements of net defined benefit plans	(3.93)	(3.21)
	328.25	377.43
Allowance for deferred tax assets not recognised on losses	(328.25)	(377.43)
<b>Total</b>	<b>-</b>	<b>-</b>

### Movement Deferred tax (assets)/liabilities for the year ended March 31, 2021 :

Rs. in Lakhs

Particulars	As at 1st April, 2020	(Credit)/charge in Statement of Profit and Loss Income	(Credit)/charge in Other Comprehensive	As at 31st March, 2021
Unabsorbed losses/depreciation	1,057.41	(24.19)	-	1,081.60
Expenses allowable on payment and others	52.70	(4.44)	-	57.14
Fixed assets (Depreciation/ amortisation)	(729.47)	77.09	-	(806.56)
Remeasurements of net defined benefit plans	(3.21)	-	(0.72)	(3.93)
	377.43	48.46	(0.72)	328.25
Allowance for deferred tax assets not recognised/ Charged to Profit and Loss	(377.43)	(48.46)	0.72	(328.25)
<b>Deferred Tax Liability/(Asset)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Notes to the financial statements for the year ended 31st March, 2021

### Movement Deferred tax (assets)/liabilities for the year ended March 31, 2020 :

Particulars	As at 1st April, 2019	(Credit)/charge in Statement of Profit and Loss Income	(Credit)/charge in Other Comprehensive	As at 31st March, 2020
Unabsorbed losses/depreciation	1,172.26	114.85	-	1,057.41
Expenses allowable on payment and others	57.15	4.45	-	52.70
Fixed assets (Depreciation/ amortisation)	(806.56)	(77.09)	-	(729.47)
Remeasurements of net defined benefit plans	(2.90)	-	(0.31)	(3.21)
	419.95	42.21	(0.31)	377.43
Allowance for deferred tax assets not recognised	(252.09)	125.65	0.31	(377.43)
<b>Deferred Tax Liability/(Asset)</b>	<b>(167.86)</b>	<b>167.86</b>	<b>-</b>	<b>-</b>

The Company has continued to adopt the existing rate of Income tax and the option under the new regime for lower rate of taxes will be reviewed in subsequent financial year/s.

### 42 Post retirement benefit plans

As per Actuarial Valuation as on 31st March, 2021 and recognised in the financial statements in respect of Employee Benefit Schemes:

#### DEFINED BENEFIT PLANS(Gratuity) :

#### A. Balance Sheet

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of plan liabilities	151.79	151.17
Fair value of plan assets	-	-
Plan liability net of plan assets	151.79	151.17

#### B. Movements in plan assets and plan liabilities

Rs. in Lakhs

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April, 2020</b>	-	151.17	151.17
Current service cost	-	6.99	6.99
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-	-
Interest cost -	8.32	8.32	-
Interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	1.75	1.75
Actuarial (gain)/loss arising from experience adjustments	-	(1.02)	(1.02)
Past service cost	-	-	-
Employer contributions	-	-	-
Benefit payments	-	(15.42)	(15.42)
<b>As at 31st March, 2021</b>	<b>-</b>	<b>151.79</b>	<b>151.79</b>



## Notes to the financial statements for the year ended 31st March, 2021

Rs. in Lakhs

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April, 2019</b>	-	149.68	149.68
Current service cost	-	6.48	6.48
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-	-
Interest cost -	9.04	9.04	-
Interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	0.09	0.09
Actuarial (gain)/loss arising from changes in financial assumptions	-	5.00	5.00
Actuarial (gain)/loss arising from experience adjustments	-	(3.89)	(3.89)
Past service cost	-	-	-
Employer contributions	-	-	-
Benefit payments	-	(15.23)	(15.23)
<b>As at 31st March, 2020</b>	-	<b>151.17</b>	<b>151.17</b>

### C. Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Employee Benefit Expenses:</b>		
Current service cost	<b>6.99</b>	6.48
<b>Total</b>	<b>6.99</b>	6.48
Finance cost/(income)	<b>8.32</b>	9.04
<b>Net impact on the Profit / (Loss) before tax</b>	<b>15.31</b>	15.52
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	-	-
Actuarial gains/(losses) on obligation for the Period	<b>0.73</b>	1.21
Finance income/(cost)	-	-
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	-	-
Experience gains/(losses) arising on pension plan and other	-	-
Benefit plan liabilities	-	-
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>0.73</b>	<b>1.21</b>



## Notes to the financial statements for the year ended 31st March, 2021

### D. Defined benefit plans Assets

Particulars	As at	As at
	31st March, 2021	31st March, 2020
-	-	-

### E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Particulars	Plan Assets	Plan liabilities
<b>Financial Assumptions</b>		
Discount rate	<b>6.25%</b>	6.45%
Salary Escalation Rate	<b>6.00%</b>	6.00%
Number of Active Members	<b>102</b>	97
Per Month Salary For Active Members- Rupees	<b>17,341</b>	16,063
Weighted Average Duration of the Projected Benefit Obligation	<b>16.15</b>	18.12

### Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity.

Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

### F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Current Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-2.82%	3.02%
Salary Escalation Rate	0.50%	3.01%	-2.84%
Employee Turnover	10%	0.04%	-0.05%
Previous Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-2.69%	2.88%
Salary Escalation Rate	0.50%	2.87%	-2.71%
Employee Turnover	10%	0.06%	-0.07%

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

## Notes to the financial statements for the year ended 31st March, 2021

### G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

Year ending 31 March,	Rs. in Lakhs
2021	1.59
2022	21.74
2023	8.79
Thereafter	43.65

The weighted average duration of the defined benefit obligation is 11 years (2016- 12 year)

### 43 Related Parties Disclosures :

#### A. Relationships:

#### 1 Related parties with whom transactions have been entered during the year in the ordinary course of the business:

Sudarshan Chokhani and Company

Shriram Chokhani and Company

#### 2 Key Management Personnel:

Shri Sudarshan S. Chokhani - Managing Director

Shri Shyantanu S. Chokhani - Director

Shri Mukesh V. Ashar - CFO & Whole time Director

Shri Prasana Ramdas - Company Secretary (w.e.f. 01.03.2020)

#### B. Transactions carried out with related parties referred in A above, in the ordinary course of business: Rs.in Lakhs

Nature of transactions	Name of related parties			Key Management personnel		
	Sudarshan Chokhani & Company	Shriram Chokhani & Company	Sudarshan S. Chokhani	Shyantanu S. Chokhani	Mukesh V. Ashar	Prasana Ramdas
Finance Charges	<b>12.88</b> (15.98)	<b>33.31</b> (34.61)				
Advisory Fees				<b>25.50</b> (22.50)		
Managerial Remuneration			<b>39.66</b> (42.00)		<b>7.34</b> (7.58)	<b>2.92</b> (0.28)
<b>Balances with related parties as on 31.03.2021:</b>						
Payables	<b>29.11</b> (107.29)	<b>48.89</b> (277.59)				
Counter Guarantee given by two directors to the Bank ,being jointly and severally liable			<b>6,078.24</b> (6078.24)			

Previous year figures are in brackets

#### Notes:

- Related parties have been identified by the Management and relied upon by the auditors.
- No amount has been provided for/written off/written back, pertaining to related parties.
- The above figures do not include provisions for compensated expense and gratuity as separate actuarial valuation are not available.



## Notes to the financial statements for the year ended 31st March, 2021

### 44 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

#### (i) Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

#### **Exposure to interest rate risk**

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Borrowings bearing variable rate of interest	8,488.90	7,312.72

#### **Interest rate sensitivity**

**A change of 50 bps in interest rates would have following Impact on profit before tax** Rs. in Lakhs

Particulars	2020-2021	2019-2020
50 bp increase in interest rate - decrease in profits	(39.50)	(35.17)
50 bp decrease in interest rate - Increase in profits	39.50	35.17

#### (ii) Market Risk- Foreign currency risk.

The Company does not operate internationally and no portion of the business is transacted in foreign currencies and consequently the Company is not exposed to foreign exchange risk.

#### (iii) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- Actual or expected significant adverse changes in business,

## Notes to the financial statements for the year ended 31st March, 2021

- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises receivables for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

### Ageing of Account receivables

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Not due		
0-3 months	713.43	623.59
3-6 months	72.95	78.74
6 months to 12 months	13.34	7.81
beyond 12 months	21.28	90.80
Provision for Doubtful debts including expected credit Loss	(37.89)	(107.50)
<b>Total</b>	<b>783.10</b>	<b>693.44</b>

### Movement in provisions of doubtful debts including expected credit Loss

Rs. in Lakhs

Particulars	2020-2021	2019-2020
<b>Opening provision</b>	<b>107.50</b>	40.68
Add:- Additional provision made	-	48.29
Add:-Transfer from provision for expected credit loss for earlier years	-	20.04
Less:- Provision write off/ reversed/Utilised against Bad Debts	(69.61)	(1.51)
<b>Closing provision</b>	<b>37.89</b>	<b>107.50</b>

### (iv) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's operational department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



## Notes to the financial statements for the year ended 31st March, 2021

### Financing arrangements

The company had access to following undrawn Borrowing facilities at end of reporting period:

Rs. in Lakhs

Particulars	As at 31st March, 2021	As at 31st March, 2020
Variable Borrowing - Cash Credit expires within 1 year	-	-

### Maturity patterns of borrowings

Rs. in Lakhs

Particulars	As at 31st March, 2021			
	0-1 year	1-5 years	beyond 5 years	Total
Short term borrowings - Over Due	11,175.25	-	-	11,175.25
Interest payable- Interest Accrued but Not Due	4.35	-	-	4.35
<b>Total</b>	<b>11,179.60</b>	<b>-</b>	<b>-</b>	<b>11,179.60</b>

Rs. in Lakhs

Particulars	As at 31st March, 2020			
	0-1 year	1-5 years	beyond 5 years	Total
Short term borrowings- Over Due	9,532.92	-	-	9,532.92
Interest payable- Interest Accrued but Not Due	3.57	-	-	3.57
<b>Total</b>	<b>9,536.50</b>	<b>-</b>	<b>-</b>	<b>9,536.50</b>

### Maturity patterns of other Financial Liabilities

Rs. in Lakhs

As at 31st March, 2021	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	-	1,080.05	4.35	12.57	2.75	1,099.73
Other Financial liability (Current and Non Current)	-	-	-	-	77.99	77.99
<b>Total</b>	<b>-</b>	<b>1,080.05</b>	<b>4.35</b>	<b>12.57</b>	<b>80.74</b>	<b>1,177.72</b>

Rs. in Lakhs

As at 31st March, 2020	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	-	952.58	22.10	2.92	8.23	985.82
Other Financial liability (Current and Non Current)	-	-	-	-	384.89	384.89
<b>Total</b>	<b>-</b>	<b>952.58</b>	<b>22.10</b>	<b>2.92</b>	<b>393.12</b>	<b>1,370.71</b>

### 45 Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Notes to the financial statements for the year ended 31st March, 2021

The following methods and assumptions were used to estimate the fair values: 1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments. 2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

### Financial Assets and Liabilities as at 31st March, 2021

Rs. in Lakhs

Particulars				Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Other Investment	0.08	-	0.08	-	-	-	-	-	0.08	-	<b>0.08</b>
Other financial assets- Non current Assets)	8.56	8.56	8.56	-	<b>8.56</b>	-	-	-	-	-	-
Other Financial Assets- (Current Assets)	-	48.08	48.08	-	-	-	-	-	48.08	-	<b>48.08</b>
Trade receivable	-	783.10	783.10	-	-	-	-	-	783.10	-	<b>783.10</b>
Cash and cash equivalents	-	95.73	95.73	-	-	-	-	-	95.73	-	<b>95.73</b>
Other Bank Balance	-	7.96	7.96	-	-	-	-	-	7.96	-	<b>7.96</b>
	<b>0.08</b>	<b>943.43</b>	<b>943.51</b>	-	-	-	-	-	<b>943.50</b>	-	<b>943.50</b>
<b>Financial Liabilities</b>											
Borrowings	-	533.81	533.81	-	-	-	-	-	533.81	-	<b>533.81</b>
Other Financial Liabilities	77.99	10,645.80	10,723.79	-	-	-	-	-	10,723.79	-	<b>10,723.79</b>
Trade Payables	-	1,099.72	1,099.72	-	-	-	-	-	1,099.72	-	<b>1,099.72</b>
	<b>77.99</b>	<b>12,279.33</b>	<b>12,357.32</b>	-	-	-	-	-	<b>12,357.32</b>	-	<b>12,357.32</b>



## Notes to the financial statements for the year ended 31st March, 2021

Financial Assets and Liabilities as at 31st March, 2020

Rs. in Lakhs

Particulars				Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Other Investment	0.08	-	0.08	-	-	-	-	-	0.08	-	0.08
Other Financial Assets - (Current Assets)	-	18.54	18.54	-	-	-	-	-	18.54	-	18.54
Trade receivable	-	693.44	693.44	-	-	-	-	-	693.44	-	693.44
Cash and cash equivalents	-	141.16	141.16	-	-	-	-	-	141.16	-	141.16
Other Bank Balance	-	7.96	7.96	-	-	-	-	-	7.96	-	7.96
	<b>0.08</b>	<b>861.10</b>	<b>861.18</b>	-	-	-	-	-	<b>861.18</b>		<b>861.18</b>
<b>Financial Liabilities</b>											
Borrowings	-	1,809.33	1,809.33	-	-	-	-	-	1,809.33	-	1,809.33
Other Financial Liabilities	384.89	7,727.16	8,112.05	-	-	-	-	-	8,112.05	-	8,112.05
Trade Payables	-	985.83	985.83	-	-	-	-	-	985.83	-	985.83
	<b>384.89</b>	<b>10,522.32</b>	<b>10,907.22</b>	-	-	-	-	-	<b>10,907.22</b>		<b>10,907.22</b>

Rs. in Lakhs

Particulars	As at 31st March, 2021		As at 1st April, 2020	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Non-current Investment	0.08	0.08	0.08	0.08
Other financial assets-current	8.56	8.56	-	-
Other financial assets-non-current	48.08	48.08	18.54	18.54
Trade receivable	783.10	783.10	693.44	693.44
Cash and cash equivalents	95.73	95.73	141.16	141.16
Other Bank Balance	7.96	7.96	7.96	7.96
	<b>943.50</b>	<b>943.50</b>	<b>861.18</b>	<b>861.18</b>
<b>Financial Liabilities</b>				
Borrowings	533.81	533.81	1,809.33	1,809.33
Other financial liabilities	10,723.79	10,723.79	8,112.05	8,112.05
Trade payables	1,099.72	1,099.72	985.83	985.83
	<b>12,357.32</b>	<b>12,357.32</b>	<b>10,907.22</b>	<b>10,907.22</b>



## Notes to the financial statements for the year ended 31st March, 2021

### 46 Capital risk management

The Company's objectives when managing capital are to

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a gearing ratio within the industry average. The gearing ratios were as follows:

Particulars	Rs. in Lakhs	
	31st March, 2021	31st March, 2020
Net Debt (after adjustment of cash and cash equivalents)	11,161.87	9,780.22
Equity	(6,009.79)	(4,627.72)
Total Capital Employed	5,152.08	5,152.49
Capital Gearing Ratio	2.17	1.90

### 47 Debt reconciliation statement in accordance with Ind AS 7 - Statement of Cash Flows:

Particulars	Rs. in Lakhs	
	31st March, 2021	31st March, 2020
Non current borrowings (includes current maturities of long term debt)	77.99	384.89
Current borrowings	6,002.85	5,528.18
Interest accrued	5,176.76	4,008.31
Less: Cash and cash equivalents	(95.73)	(141.16)
<b>Net debt as 31st March, 2021</b>	<b>11,161.87</b>	<b>9,780.22</b>

Particulars	Rs. In Lakhs				
	Non current borrowings	Current borrowings	Interest accrued	Cash and cash equivalents	Total
Net debt as at 1st April, 2020	384.89	5,528.18	4,008.31	(141.16)	9,780.22
Cash flows	(306.90)	-	-	45.43	(261.47)
Finance Costs - net	-	474.67	1,168.45	-	1,643.12
<b>Net debt as at 31st March, 2021</b>	<b>77.99</b>	<b>6,002.85</b>	<b>5,176.76</b>	<b>(95.73)</b>	<b>11,161.87</b>



## Notes to the financial statements for the year ended 31st March, 2021

- 48** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.
- 49** The accounts were approved by the Board of Directors in their meeting held on 28th May 2021.
- 50** The previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year's classification.

Signatures to notes 1 to 50 which form an integral part of the financial statements.

**For and on behalf of the Board of Directors**

**Sudarshan S. Chokhani**

Managing Director  
(DIN : 00243355)

**Mukesh V. Ashar**

Whole time Director & CFO  
(DIN : 06929024)

Place: Mumbai

Date: 28th May, 2021



## Sudal Industries Limited

**CIN: L21541MH1979PLC021541**

Registered Office: A - 5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway,  
Nashik - 422010, Maharashtra

### FORM NO. MGT – 11 PROXY FORM

<b>Name of the Member</b>			
<b>Registered Address</b>			
<b>Folio No. /Client ID</b>		<b>DP ID</b>	
<b>No. of Shares</b>		<b>E-mail ID</b>	

I/we, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the Forty Second Annual General Meeting / Extraordinary General Meeting of the Company, to be held on Saturday 20<sup>th</sup> November, 2021, at 3.00 P.M. at A- 5 MIDC Ambad Industrial Estate , Mumbai Agra Highway, Nashik - 422010, Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:



\*\*I wish my above proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	For	Against	Abstain
1.	Adoption of Audited Financial Statement of Profit and Loss for the year ended 31st March, 2021 and the Balance Sheet as on that date, together with the Report of the Board of Directors and the Auditors thereon			
2.	Re-appointment of Shri. Shyantanu Chokhani (DIN 00244142), as a Director of the Company			
3.	Approval of Remuneration of Cost Auditors			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Signature of shareholder:

\_\_\_\_\_  
Signature of Proxy holder(s)

AFFIX Re. I  
REVENUE  
STAMP  
AND SIGN  
ACROSS  
THE STAMP

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member.
3. A person can act as a proxy on behalf of member/s not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. \*\*This is only optional. Please put a " ✓ " in the appropriate column against the resolution/s indicated in the Box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all the resolution/s, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. In case of Joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated.



## Sudal Industries Limited

**CIN: L21541MH1979PLC021541**

Registered Office: A – 5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422010,  
 Maharashtra Phone: Tel: 91-22-61577100/177, Fax: 91-22-22022893  
 Email: mail [cs@sudal.co.in](mailto:cs@sudal.co.in) Website: [www.sudal.co.in](http://www.sudal.co.in)

### ATTENDANCE SLIP

**42<sup>nd</sup> Annual General Meeting on Saturday, 20<sup>th</sup> November, 2021 at 3:00 P.M**

Serial No. \_\_\_\_\_

<b>Registered Folio No./ DP ID/Client ID</b>	
<b>No. of Shares</b>	
<b>Name and address of the Member(s)</b>	
<b>Joint Holder 1</b>	
<b>Joint Holder 2</b>	

I/We hereby record my/our presence at the **Forty Second Annual General Meeting** of the Company to be held on Saturday **20<sup>th</sup> September, 2021** at 3.00 P.M. at Registered Office Industrial Estate, Mumbai Agra Highway Ambad Nashik-422010

\_\_\_\_\_

Member's/Proxy's name in Block Letters

\_\_\_\_\_

Member's/Proxy's Signature

***Please hand it over at the Attendance Verification Counter at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM***

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Note: Please read carefully the instructions given in the Notice for voting through the e-voting platform. The voting period begins on 13<sup>th</sup> November, 2021 at 10.00 A.M. (IST) and ends on 19<sup>th</sup> November, 2021 at 5.00 P.M. (IST). The voting module shall be disabled by CDSL for voting thereafter.

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>*Default PAN</b>
211025002	

\*Only Member who have not updated their PAN with Company / Depository Participant shall use default PAN in the Pan Field.



## Sudal Industries Limited

**CIN: L21541MH1979PLC021541**

**Registered Office:** A – 5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422010, Maharashtra

**Tel No.:** 022--61577100/177, **Fax No.:** 91-22-22022893

**Email id:** [cs@sudal.co.in](mailto:cs@sudal.co.in) **Website:** [www.sudal.co.in](http://www.sudal.co.in)

### BALLOT FORM

*[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

#### 42<sup>nd</sup> Annual General Meeting ('AGM') – Saturday, 20<sup>th</sup> November, 2021

*(To be returned to Scrutinizer appointed by the Company)*

<b>Name of the First named Shareholder (in block letters)</b>	
<b>Registered postal address of the first named Shareholder (In block letters)</b>	
<b>Name(s) of the Joint Holder(s)</b>	
<b>Registered Folio No. / *DP Id Client Id (*Applicable to investors holding shares in dematerialized form)</b>	
<b>No. of shares held and class of shares</b>	

I/We hereby exercise my/our vote in respect of the resolution(s) enumerated below and more clearly specified in the Notice of the Company dated 06<sup>th</sup> October, 2021 to be passed at the 42<sup>nd</sup> AGM of the Company, for the businesses stated in the said Notice by conveying my/ our assent or dissent to the said resolutions in the relevant box below:

Item No.		Type of resolution (Ordinary / Special)	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)	I/We abstain to vote on the resolution (Abstain)
<b>ORDINARY BUSINESS</b>					
1.	Adoption of the Audited Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2018 together with the Reports of the Board of Directors and Auditors thereon.	Ordinary			
2.	Appointment of Director in place of Mr. Shyantanu Sudarshan Chokhani (DIN: 002444142) who retires by rotation and being eligible offers himself for re-appointment.	Ordinary			
3.	Ratification of Remuneration payable to Cost Auditor ICAI Firm Registration No.113447W/W-100019	Ordinary			

**Place: Mumbai**

**Date: \_\_\_\_\_, 2021**

**#E-mail: \_\_\_\_\_**

**#Tel No.: \_\_\_\_\_**

\_\_\_\_\_

**Signature of Member / Beneficial Owner**



## **M** ISSION

To work together and achieve continuous improvement which will result in the profitable growth and financial strength of our Company.

## **V** ISSION

To make Sudal one of the premier Aluminium Extruders and preferred supplier of Quality Extrusions exceeding customer expectations in respect of Quality, Customer Service and Competitiveness in India and abroad.

## **Q** uality

Dedicated to exceed customers expectation and devoted to customers delight SUDAL's business strategy is SERVICE, QUALITY and CUSTOMER RELATIONSHIP MANAGEMENT [CRM].

**SUDAL INDUSTRIES LIMITED**

CIN : L21541MH1979PLC021541



## **SUDAL INDUSTRIES LIMITED**

**CIN : L21541MH1979PLC021541**

**Corporate Office :**

**26A, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021.**

**Phone: +91-22-61577100/ 177/ 114**

**Email:mumbai@sudal.co.in / mvashar@sudal.co.in**