

# Boards' Report

To  
The Members,  
Sudal Industries Limited

Your Directors have pleasure in presenting the Forty First Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2020

## FINANCIAL RESULTS

The Company's performance during the year ended 31<sup>st</sup> March, 2020 as compared to the previous financial year, is summarized below:

(Rs. in Lakhs)

Particulars	For the financial year ended 31st March, 2020	For the financial year ended 31st March, 2019
<b>Total Revenue</b>	<b>9201.18</b>	12654.93
<b>Earnings before interest, depreciation and tax</b>	<b>(495.43)</b>	758.03
Less: Interest and Finance Charges	<b>1550.93</b>	1495.58
Less: Depreciation	<b>302.67</b>	306.32
<b>Profit/(Loss) Before Exceptional Item and Taxation</b>	<b>(2349.04)</b>	(1043.87)
<b>Exceptional Item</b>	<b>(341.55)</b>	0
Less: Provisions for Current Tax	<b>0</b>	0
Less: Provision for Deferred Tax	<b>0</b>	0
Less :Provision for tax for earlier year	<b>(167.88)</b>	(71.51)
<b>Profit/(Loss) after Tax</b>	<b>(2858.47)</b>	(1115.38)
<b>Other comprehensive income</b>	<b>1.21</b>	4.87
<b>Total comprehensive income for the year</b>	<b>(2857.26)</b>	(1110.51)

## OPERATIONS AND RESULTS:

During the year under review irregular demand and price volatility at London Metal Exchange and the currency exchange rate as a result, the margin were substantially constrained due to differential price module being followed by primary producers. Other factor being increase in other input cost and finance cost.

## DIVIDEND:

Considering the loss in the current financial year, 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.

## APPLICATION TO NATIONAL COMPANY LAW TRIBUNAL BY SYNDICATE BANK(NOW CANARA BANK)

Upon noncompliance of One Time Settlement(OTS), Syndicate bank (now Canara Bank) have on 17/07/20 made an application before National Company Law tribunal for recovery of dues.

**IMPACT OF COVID 19 ON PERFORMANCE**

The Central Government on outbreak of Corona Virus declared Complete Lock down from 23<sup>rd</sup> March,2020 to 3<sup>rd</sup> May, 2020, the Company's operation were totally closed down. Although the Government started relaxing the terms of lock down and allowing the industry to operate on restrictive basis. The Company after obtaining permission commenced the operation from 19<sup>th</sup> May,2020. With opening of economy, the Company gradually been able to increased its volume from mid-June, 2020 onwards.

**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.

**RELATED PARTY TRANSACTIONS:**

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. 4 and 12 which are forming part of the Financial Statements for the year ended at 31 March, 2019.

**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 VIII, 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 except:

Mr. Vikash Kumar Mahnot is appointment as Company Secretary and Compliance Officer of the company on 22nd July 2019

Further Mr. Vikash Kumar Mahnot resigned w.e.f 01<sup>st</sup> March 2020 and in his place Mr. Prasanna vitthal ramdas is appointment as Company Secretary and Compliance Officer of the company w.e.f 01<sup>st</sup> March 2020.

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. Mukesh V Ashar, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary proposal for her 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.

**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 2020 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> May,2019
- 25<sup>th</sup> July,2019
- 13<sup>th</sup> August,2019
- 14<sup>th</sup> November,2019
- 14<sup>th</sup> February,2020

**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, 2020 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, 2019 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 is as under:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent – N.E.D* (Chairman)
2	Mr. Manoj Shah	Independent – N.E.D* (Member)- Resigned on 22 <sup>nd</sup> July,2019
3	Ms Neha Dhuru	Independent Women Director
4	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**

**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 comprises of:

Sr. No	Particulars	Members
1	Mr. Manoj Shah	Independent – N.E.D* (Chairman) Resigned w.e.f 22 <sup>nd</sup> July,2019
2	Mr. Jal Thanawala	Independent – N.E.D* (Member)
3	Mr. Sudarshan Chokhani	Managing Director (Member)
4	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.

**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:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent – N.E.D* (Member)
2	Mr. Manoj Shah	Independent – N.E.D* (Member) Resigned w.e.f.22 <sup>nd</sup> July,2019
3	Ms Neha Dhuru	Independent Woman – N.E.D(Member)
4	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 MARCH 2020:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2020 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, M/s. 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 or fraud falling under rule 13(1) of the Companies (Audit and Auditors) rule, 2014, by officers or employees 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 2020:**

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 2019-20. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2019-20 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 30<sup>th</sup> July,2020 appointed M/s Hemant Shah & Associates, Cost Accountants (Firm Reg. No. 000394), as the Cost Auditors of the Company for the Financial Year 2020-21 on a remuneration of Rs 75,000 (Rupees Seventy Five 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 a General Meeting for their ratification. Accordingly, a Resolution seeking Members ratification for remuneration payable to M/s Hemant Shah & Associates, Cost Auditors is included the Notice convening the 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 2020 made under the provisions of Section 92(3) of the Act is attached as Annexure V which forms part of this Report.

**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 VI which forms part of this Report.

**c. DISCLOSURE RELATED TO PREVENTION OF SEXUAL HARASSMENT OF WOMEN A WORK PLACE:**

The Directors further state that pursuant to the provisions of sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at work place has been reported to Company during the F.Y. 2019-20.

**d. 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 2019-20 and accordingly compliances with respect to the same were not applicable to the Company during the year under review.

**e. 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. 2019-20.

**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	Me Sudarshan S Chokhani (Managing Director)	Mr. Mukesh V Ashar (Whole Time Director)	Mr Vikash Manhot (Company Secretary- from 24/07/2019 to 29/02/2020)	Mr Prasana Ramade ( Company Secretary - From 01/03/2020)
A)Element of Remuneration Package				
Salary	42.00	6.88	2.18	0.28
Benefits				
Bonues		0.70		
Stock Option				
Pension				
Total	42.00	7.58	2.18	0.28
B) Fixed and variable Components				
Fixed Components	42.00	7.58	2.18	0.28
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		

**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.

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

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

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

**Date: 11<sup>th</sup> November, 2020**

**Place: Mumbai**

Sr. No.	Annexure
<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>Extract Of Annual Return</b>
<b>VI</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>VII</b>	<b>Technology Absorption, Foreign Income Expenditure</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.**

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

<b>Name(s) of the related party and nature of Relationship</b>	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	Five year w.e.f. 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021 and which shall be subject to renewal on fresh terms and conditions on year to year basis	Five year w.e.f. 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021 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, 2020
<b>Amount paid as advances, if any</b>	-	-	-	-	-

**Registered Office**

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

**By the Order of Board of Directors  
For Sudal Industries Limited**

Sd/-

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

Sd/-

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

Place: Mumbai

Date: 11<sup>th</sup> November, 2020



**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, committees 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

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

**Date: 11<sup>th</sup> November, 2020**

**Place: Mumbai**

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

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

**Registered Office**

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

**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.216012/- Per Annum
- II. Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the Financial Year 2019-20, the percentage increase in remuneration of Chief Financial Officer and other Executive Director and Company Secretary during the Financial Year 2018-19.

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	3.00:1	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
- Further the Ratio of Remuneration of the currently designated Company Secretary and Compliance Officer is 1.93:1

## Note:

- The Non-Executive Directors of the Company are entitled to receive sitting fees in accordance with the limit specified. The details of remuneration of Non-Executive directors are provided in the Extract of Annual Return forming part of the Board Report. The Ratio of remuneration and percentage increase for the Non-Executive Directors Remuneration is therefore not considered for the purpose above.
  - 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. 2019-20 there was no increase in the median remuneration of employees.
- IV. The Company has 110 permanent Employees on the rolls of Company as on 31st March, 2020.
- 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 31st March, 2020 was Rs 662 lakhs as compared to Rs 806.77 Lacs as on 31st March, 2019. The price-earning ratio of the Company was (-0.33) as at 31st March, 2020 and was (-1.00) at 31st March, 2019. The closing share price of the Company at BSE limited as on 31st March, 2020 being Rs 8.00 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

**Place: Mumbai**

**Date: 14<sup>th</sup> September,2020**

**By the Order of Board of Directors  
For Sudal Industries Limited**

Sd/-

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

Sd/-

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

**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, 2020**

To

The Members,

**Sudal Industries Limited**

A-5, M.I.D.C. Ambad Industrial Area,

Mumbai-Nashik Highway,

Nashik - 422010

We have conducted 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, 2020, 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, 2020 as given in the **Annexure I**, 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 applicable with effect from 1<sup>st</sup> October, 2017 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:

- ***The Company did not have a Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period upto 25<sup>th</sup> July 2019. Mr. Vikash Kumar Mahnot (PAN: AJUPM3375K) appointed as the Company Secretary and Compliance officer of the Company with effect from 25<sup>th</sup> July 2019;***
- ***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 28<sup>th</sup> September 2019 was not published within the stipulated time.***
- ***As per sub regulation 1(a) 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 31<sup>st</sup> March 2019 after the stipulated time period.***

**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 is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting,

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

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 as under:

- ***The Company has received a letter dated 2<sup>nd</sup> December,2019 from Syndicate Bank sanctioning the proposal of one time settlement of all outstanding dues on the terms and conditions as mentioned in the said Sanction letter.***

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**JAYESH SHAH  
PARTNER**

**FCS No.:5637**

**COP No.: 2535**

**UDIN: F005637B000637356**

**Place: Mumbai**

**Date: 31<sup>st</sup> August 2020**

**ANNEXURE - I****List of documents verified**

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31<sup>st</sup> March 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee held during the financial year under report along with respective Attendance Registers.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies framed by the Company viz.
  - Policy on Related Party Transactions;
  - Risk Management Policy;
  - Whistle Blower Policy;
  - Nomination and Remuneration Policy;
  - Archival Policy; and
  - Policy for Determination of Material Events.
6. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel and their Shareholding
  - Register of Charge (Form No. CHG-7)
  - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4)
  - Register of Investments (Form No. MBP-3)
7. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation, if any.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the financial year under report.
12. Compliance Certificate placed before the Board of Directors from time to time.
13. Details of Related Party Transactions entered into by the Company during the financial year under report.
14. Intimation given to employees of the Company for closure of trading window from time to time.
15. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

**ANNEXURE – II**

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**

Sd/-

**JAYESH SHAH  
PARTNER**

**FCS No.:5637**

**COP No.: 2535**

**UDIN: F005637B000637356**

**Place: Mumbai**

**Date: 31<sup>st</sup> August 2020**



## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS:

CIN	:	L21541MH1979PLC021541
Registration Date	:	08/08/1979
Name of the Company	:	SUDAL INDUSTRIES LIMITED
Category / Sub-Category of the Company	:	Public Limited Company
Address of the Registered office and contact details	:	A-5, MIDC, Ambad Industrial Area, Mumbai – Nashik Highway, Nashik – 422 010, Maharashtra
Contact No.	:	0253-2382396
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083 Tel No. -022 4918 6000 Fax No: 022 4918 6060 Email- <a href="mailto:dematremat@linkintime.co.in">dematremat@linkintime.co.in</a>

### II PRINCIPAL BUSINESS ACTIVITIE OF THECOMPANY

SR. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	ALUMINUM EXTRUSIONS & ALLOYS	24202	100

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

During the year under review your Company did not have any Holding, Subsidiary and Associate Companies.



## IV SHARE HOLDING PATTERN (Equity Share Capital Backup as percentage of total Equity):

## (A) CATEGORY WISE SHARE HOLDING

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
(1)	Indian									
(a)	Individuals / Hindu Undivided Family	3852512	0	3852512	52.29	3852512	0	3852512	52.29	NIL
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Bodies Corporate	790488	0	790488	10.73	790488	0	790488	10.73	NIL
	Sub Total (A)(1)	4643000	0	4643000	63.02	4643000	0	4643000	63.02	NIL
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	50	50	0	0	50	50	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	Sub total (B)(1)	0	50	50	0	0	50	50	0	0
(2)	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	0	1391	1391	0.02	0	0	0	0	(0.02)
	Sub Total (B) (2)	0	1391	1391	0.02	0	0	0	0	(0.02)



(3)	Non-Institutions									
(a)										
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	895285	564573	1459858	19.81	1035914	559006	1594920	21.65	1.84
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	547975	0	547975	7.44	437986	0	437986	5.94	(1.65)
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)	0	0	0	0	0	0	0	0	0
	IEPF	1391	0	1391	0.02	1391	0	1391	0.02	0
	Hindu Undivided Family	90602	0	90602	1.13	1,09,052	0	1,09,052	1.48	0.35
	Foreign Companies	325300	0	325300	4.42	325300	0	325300	4.42	0
	Non Resident Indians (Non Repat)	8643	475	9118	0.12	9012	475	9487	0.13	0.01
	Non Resident Indians (Repat)	14793	100	14893	0.20	14793	100	14893	0.20	0
	Clearing Member	62473	0	62473	0.85	0	0	0	0	(0.85)
	Bodies Corporate	213158	0	213158	2.89	231739	0	231739	3.14	.25
	Sub Total (B)(3)	2159620	565148	2724768	36.98	2165187	559581	2724768	36.98	0.00
	Total (A)+(B)	6802620	565198	7367818	100.00	6808187	559631	7367818	100.00	0
(C)	Non Promoter - Non Public									
(1)	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	6802620	565198	7367818	100.00	6802620	559361	7367818	100.00	0

**(B) SHAREHOLDING OF PROMOTER**

Sr No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Sudarshan S Chokhani	1523087	20.67	0.00	1523087	20.67	1.35	-
2	Shyantanu S Chokhani	1218200	16.53	0.00	1218200	16.53	0.00	-
3	Renu S Chokhani	1100725	14.94	0.00	1100725	14.94	0.00	-
4	Sudal Enterprises Pvt. Ltd	790488	10.73	0.00	790488	10.73	0.00	-
5	SudarshanShriramChokhani	10500	0.14	0.00	10500	0.14	0.00	-
	HUF							
	<b>Total</b>	<b>4643000</b>	<b>63.02</b>	<b>0.00</b>	<b>4643000</b>	<b>63.02</b>	<b>1.35</b>	<b>-</b>

## V CHANGE IN PROMOTERS SHARE HOLDING

SI No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>1.</b>	<b>Mrs. RENU S CHOKHANI</b>				
	At the beginning of the year	1100725	14.94	1100725	14.94
	Allotment of 8,60,000 Equity Shares on 9th August 2014 by conversion of warrants issued on preferential basis	No Change			
	At the End of the year	1100725	14.94	1100725	14.94
<b>2.</b>	<b>Mr. SUDARSHAN S CHOKHANI</b>				
	At the beginning of the year	1523087	20.67	1523087	20.67
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the End of the year	1523087	20.67	1523087	20.67
<b>3.</b>	<b>Mr. SHYANTANU S CHOKHANI</b>				
	At the beginning of the year	1218200	16.53	1218200	16.53
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the End of the year	1218200	16.53	1218200	16.53
<b>4.</b>	<b>SUDAL ENTERPRISES PRIVATE LIMITED</b>				
	At the beginning of the year	790488	10.73	790488	10.73
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the End of the year	790488	10.73	790488	10.73
<b>5.</b>	<b>SUDARSHAN SHRIRAM CHOKHANI HUF</b>				
	At the beginning of the year	10,500	0.14	10,500	0.14
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	No Change			
	At the End of the year	10,500	0.14	10,500	0.14


**VI SHAREHOLDING PATTERN OF TOP TEN SHAREHOLES(OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)**

SI No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>REYNOLDS INTERNATIONAL INC</b>				
	At the beginning of the year	325,300	4.41	325300	4.41
	Change during the year	-	-	-	-
	At the End of the year	325300	4.41	325300	4.41
2.	<b>MADHUMILAN CREDIT CAPITAL PRIVATE LIMITED</b>				
	At the beginning of the year	135,100	1.8337	135,100	1.8337
	Change during the year	-	-	-	-
	At the End of the year	135,100	1.8337	135,100	1.8337
3.	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year	89,030	1.21	89,030	1.21
	Change during the year	-	-	-	-
	At the End of the year	89,030	1.21	89,030	1.21
4.	<b>SUMAN VINOD GOYANKA</b>				
	At the beginning of the year	65,080	0.88	55,080	0.75
	Change during the yearTransfer				
	At the End of the year	65080	0.88	55,080	0.88
5.	<b>DHARMENDRA RATILAL DOSHI</b>				
	At the beginning of the year	42,200	0.57		
	Change during the yearTransfer:				
	At the End of the year	42,200	0.57		
6.	<b>KANTA KOTHARI</b>				
	At the beginning of the year	<b>41,000</b>	<b>0.56</b>	<b>41,000</b>	<b>0.56</b>
	Change during the yearTransfer:				
	At the End of the year	<b>41,000</b>	<b>0.56</b>	<b>41,000</b>	<b>0.56</b>
7.	<b>MANISHKUMAR SUMATILAL MEHTA</b>				
	At the beginning of the year	38829	0.53	38829	0.53
	Change during the yearTransfer				
	At the End of the year	38829	0.53	38829	0.53
8.	<b>HARSHNA ASHOK SHAH</b>				
	At the beginning of the year	35,183	0.48	35,183	0.48
	Change during the year				
	At the End of the year	35,183	0.48	35,183	0.48
9.	<b>TAPAN MAHARSHI</b>				
	At the beginning of the year	32,900	0.45	32,900	0.45
	Change during the yearTransfer:				
	At the End of the year	32,900	0.45	32,900	0.45
10.	<b>ASHOK MAGANLA SHAH</b>				
	At the beginning of the year	26,275	0.36	26,275	0.36
	Change during the year	-	-	-	-
	At the End of the year	26,275	0.36	26,275	0.36

**VII SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, apart from Mr.Sudarshan S Chokhani, Promoter of the Company & Managing Director, Designated as Key Managerial Personnel and Mr.ShyantanuChokhani, Promoter of the Company & Non Executive Director (Related), whose shareholding details are given above, none of the Directors and Key Managerial Personnel holds any shares in the Company.

**VIII INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(Rs in Lakhs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3658.13	803.24	0	4461.37
ii) Interest due but not paid	3094.00	683.24	0	3777.24
iii) Interest accrued but not due	3.41	0	0	3.41
<b>Total (i+ii+iii)</b>	<b>6755.54</b>	<b>1486.48</b>	<b>0</b>	<b>8579.61</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1421.45	256.02	0	
• Reduction	190.95	0	0	4.86
Net Change	1230.50	256.02	0	547.26
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3651.61	803.24	0	4454.85
ii) Interest due but not paid	4071.98	1006.9	0	5078.88
iii) Interest accrued but not due	3.57	0	3.57	
<b>Total (i+ii+iii)</b>	<b>7727.16</b>	<b>1810.14</b>	<b>0</b>	<b>9537.3</b>



## IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

SI.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		SUDARSHAN S. CHOKHANI (MANAGING DIRECTOR)	MUKESH V ASHAR (WHOLE TIME DIRECTOR & CFO)	
1	Gross salary	42.00	7.53	49.53
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	42.00	7.53	49.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	- as % of profit	0.00	0.00	0.00
	- others, specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	<b>Total (A)</b>	<b>42.00</b>	<b>7.53</b>	<b>49.53</b>
	<b>Ceiling as per the Act</b>	<b>42.00</b>	<b>42.00</b>	

**Note: Considering the inadequate profit, remuneration paid to Mr.Sudarshan S Chokhani and Mr. Mukesh V. Ashar was determined as per the provisions of Part II Section II of Schedule V of the Companies Act, 2013.**

## REMUNERATION TO OTHER DIRECTORS

SI. No.	Particulars of Remuneration	Name of Directors					Total Amount in Rs.
		Mr. Manoj Shah (Independent Director)	Mr. Jal Thanawala (Independent Director)	Mr. Shyantanu Chokhani (Non Executive Director )	Ms. Neha Dhuru (Independent Director)	Mr.Lalit Maharshi	
1.	Independent Directors						
	• Fee for attending board / committee meetings	6,000	30,000	12,000	24,000	13,500	85,500
	• Commission	0	0	0	0		0
		0	0	0	0		0
	• Others, please specify	0	0	0	0		0
	<b>Total (1)</b>	6,000	30,000	12,000	24,000	13,500	85,500
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	-	
	• Commission	0	0	0	0		0
	• Others, please specify	0	0	0	0		0
	<b>Total (2)</b>	0	0	0	0		0
	<b>Total (B)=(1+2)</b>	6,000	30,000	12,000	24,000	13,500	85,500
	<b>Total Managerial Remuneration</b>						
	<b>Overall Ceiling as per the Act</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>		<b>N.A.</b>


**REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹InLacs)

SI. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		NIL	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	b) Value of perquisites u/s 7(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	<b>Total</b>		

\* Mr. Mukesh V. Ashar is appointed as an Whole-Time Director w.e.f 8<sup>th</sup> December, 2014, and who shall continue to be the Chief Financial Officer of the Company in terms of the provisions of Section 203 of the Companies Act, 2013. He has been paid in the capacity of Whole-Time Director.

**• PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

During the year under review there were no penalties, punishment or compounding of offences imposed against the Company, its directors and other officers.

**Registered Office**

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

**By the Order of Board of Director  
For Sudal Industries Limited**

Sd/-

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

Sd/-

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

**Place: Mumbai  
Date: 11<sup>th</sup> November, 2020**



## ANNEXURE VI

## 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

## 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) 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

## 3) 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**

<b>Sr No.</b>	<b>Particulars</b>		<b>Current Year 2019-20</b>	<b>Previous Year 2018-19</b>
<b>A</b>	<b>Power and Fuel Consumption</b>			
1.	Electricity			
A)	Purchased	(Units)	4219200	3208850
		(Total Amount ₹)	35577867	26007540
		(Average rate/Unit-₹)	8.43	8.10
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	443670	406950
		(Total Amount ₹)	20666482	14498058
		Cost per Kg	46.58	35.63
3.	Coal (Specify Quantity & where used)	Qty (Tons)	--	--
		(Total cost ₹)	--	--
		(Average Rate/Ton- ₹)	--	--
4.	Furnace Oil	(Quantity-Kg)	902898	599113
		Total Amount-₹)	33827951	14311979
		(Average rate/Kg-₹)	37.47	23.89
5.	Other (Internal Generation)	(Quantity)	--	--
		(Total Cost)	--	--
		(Average cost/Unit-₹)	--	--
<b>B</b>	<b>Consumption per ton of production</b>			
-	Electricity			
-	Furnace Oil	(Units)	629.06	671.60
	Aluminium Billets (For casting)	(Kgs)	95.02	98.29
	Alloy			
	Coal			
	Others (Specify)			

**(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	(₹ in Lacs)
	Capital -
	Recurring -
	Total -
	Total R & D expenditure as a Percentage of Turnover 0.23% (Approx.)

**(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**

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**By the Order of Board of Director  
For Sudal Industries Limited**

Sd/-

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

Sd/-

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

**Place: Mumbai**

**Date: 11<sup>th</sup> November, 2020**



# 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 pre-COVID-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: 11<sup>th</sup> November,2020**