

Directors Report

To
The Members,
Sudal Industries Limited

Your Directors present the Forty Fourth (44th) Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2023.

FINANCIAL RESULTS:

The Company's performance during the year ended March 31, 2023 as compared to the previous Financial Year, is summarized below:

(Rs. in Lacs)

Particulars	For the financial year ended 31st March, 2023	For the financial year ended 31st March, 2022
Total Revenue	16,170.72	12,905.27
Earnings before interest, depreciation and tax	-467.47	926.14
Less: Interest and Finance Charges	2,382.96	2072.05
Less: Depreciation	239.24	275.98
Profit/(Loss) Before Exceptional Item and Taxation	-3,089.66	-1421.90
Exceptional Item	-248.16	461.19
Less: Provisions for Current Tax	0	0
Less: Provision for Deferred Tax	0	0
Less :Provision for tax for earlier year	0	0
Profit/(Loss) after Tax	-3337.82	-960.71
Other comprehensive income	-10.32	5.10
Total comprehensive income for the year	-3327.51	-955.61

OPERATIONS AND RESULTS:

During the year under review, the revenue from operation was higher by 25% from Rs. 129.05 Crore to Rs.

161.17 Crore. However, due frequent price volatility, higher energy cost and above all one time loss of 10.86 Cr on discardation of old Dies, the Company suffered loss before Interest, Depreciation and Tax. Due to higher finance cost compared to previous financial year, resulted in loss during the year. During the year under review, loss of Rs.2.48 Cr on sale of one of non usable press added to high loss from operation. Resulting in to net loss after comprehensive income Rs,33.27 Cr.

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

The Company's application for Prepackage Insolvency Resolution plan was admitted by National Company Law Tribunal (NCLT) was admitted on 20/04/2023 and resolution plan accepted vide order dated 10/08/2023. In accordance with the terms of resolution plan , the Company has paid Rs.727500/- to unsecured financial creditors and Rs2384 95835/-to Canara Bank (secured financial creditors) . Now the balance of Rs5 Cr to be paid in four quarterly installments.

DIVIDEND:

Considering the loss in the current Financial Year and accumulated losses, the Board of 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 have not recommended transfer of any amount to reserves.

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

During the year under review, the 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:

During the year under review, the Company had filed an application for initiating Pre-packaged Insolvency Resolution Process as per Section 54A (2) (g) of Insolvency and Bankruptcy Code, 2016. The Company has vide order dated August 10, 2023. received an approval of the Hon. National Company Law Tribunal, Mumbai Bench. Necessary actions have been initiated for implementation of the said Plan.

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, except those stated in the Annual Report.

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES:

The details of material 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:

During the year under review, there were no loans, guarantees given and investments made and securities provided on behalf of the others.

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 - II**, forms part of this Report.

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

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 Ashar (DIN: 06929024), being longest in the office 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.

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to approval of members, have re-appointed Mr. Sudarshan Chokhani (DIN: 00243355) as the Managing Director of the Company, for a period of three years with effect from September 1, 2023, August 31, 2026. Necessary resolution for seeking approval of members for re-appointment of the Managing Director is included in the notice of Annual General Meeting.

Ms. Neha Dhuru (DIN: 08206406) resigned as an Independent Director of the Company w.e.f. from May 2, 2023.

Mr. Debasis Acharya was appointed as Chief Executive Officer of the Company with effect from June 01, 2022.

Except as above there are no changes in Board of Directors and Key Managerial Personnel 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 seven (7) times during the Financial Year ended March 31, 2023 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:

- May 30, 2022
- July 05, 2022
- July 22, 2022
- September 23, 2022
- November 14, 2022 (adjourned and held on November 21, 2022)
- November 25, 2022
- February 14, 2023

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 March 31, 2023 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 and 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 at the Financial Year ended March 31, 2023 and of the loss of the Company for that year;

- proper and sufficient care 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;
- the internal financial controls laid down have been 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 March 31, 2023 was as under:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Non-Executive Independent Director (Chairman)
2	Ms. Neha Dhuru*	Non-Executive Independent Director (Member)
3	Mr. Lalit Maharshi	Non-Executive Independent Director (Member)
4	Mr. Shyantanu S. Chokhani	Non -Executive Director (Member)

* Ms. Neha Dhuru was resigned from independent Director of the Company w.e.f. May 2, 2023.

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.

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 March 31, 2023 comprised of:

Sr. No	Particulars	Members
1	Mr. Lalit Maharshi	Non-Executive Independent Director (Chairman)
2	Ms. Neha Dhuru*	Non-Executive Independent Director
3	Mr. Jal Thanawala	Non-Executive Independent Director (Member)
4	Mr. Sudarshan Chokhani	Executive Director (Member)

* Ms. Neha Dhuru was resigned from independent Director of the Company w.e.f. May 2, 2023.

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.

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 March 31, 2023:

Sr. No	Particulars	Members
1	Mr Sudarshan S Chokhani	Executive Director (Chairman)
2	Mr. Jal Thanawala	Non-Executive Independent Director (Member)
3	Ms. Neha Dhuru *	Non-Executive Independent Director (Member).
4	Mr. Lalit Maharshi	Non-Executive Independent Director (Member).

* Ms. Neha Dhuru was resigned from independent Director of the Company w.e.f. May 2, 2023.

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 - III**, 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 - IV**.

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 MARCH 31, 2023:

The observations made by the Statutory Auditors in their report for the Financial Year ended March 31, 2023 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. RE-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 (FRN.: 113447W/W-100019), the Statutory Auditors of the Company, were re-appointed for period of 5 (Five) years, to hold office from the conclusion of 43rd (Forty Third) Annual General Meeting the conclusion of the 48th (Forty Eighth) Annual General Meeting of the Company.

The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company.

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 MARCH 31, 2023:

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 2022-23. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2022-23 is appended as **Annexure - V** to this Report.

The observations made by the Secretarial Auditors in their report for the Financial Year ended March 31, 2023 read with the explanatory notes therein are as follows:

- a) Pursuant to Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the prior intimation to stock exchange for the Board meeting held on July 22, 2022 was not submitted within the stipulated time period.

Management reply

The Company represented that the said delay was on account of technical glitches and the said delay was taken on record by the Stock Exchange.

- b) Pursuant to Regulation 33, Schedule III & BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results for the quarter ended September 30, 2022 was not submitted within the stipulated time period."

Management reply

The Company has paid the necessary fine for the said delay as per Standard Operating Process stipulated by Securities and Exchange Board of India.

- c) Pursuant to Regulation 46 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company's website is not fully updated with the information required to be disseminated.

Management reply

The Company has initiated the steps to comply with the applicable provisions.

- d) Pursuant to the Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations 2015, the Company is required to maintain a Structured Digital Database ("**SDD**") and pursuant to the BSE Circular No. 20221028-15 dated October 28, 2022 and 20230329-21 dated March 29, 2023, the Company did not maintain a Structured Digital Database.

Management reply

The Company has installed necessary software as per the requirements and update the records in the said system.

e. COST AUDITORS:

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to appoint a Cost Auditors 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 August 23, 2023 re-appointed M/s. Hemant Shah & Associates, Cost Accountants (Firm Reg. No. 000394), as the Cost Auditors of the Company for the Financial Year 2023-24 on a remuneration of Rs. 80000/- (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 March 31, 2023 made under the provisions of Section 92 (3) of the Act is available on the website of the Company at www.sudal.co.in under the section "Annual Return 2022-23".

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. 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 2022-23 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 workplace has been reported to Company during the Financial Year 2022-23.

e. GENERAL:

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions or applicability on these items during the year under review:

- 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 not furnished.
- 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.
- 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.
- 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.

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.

INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, the Company had filed an application for initiating Pre-packaged Insolvency Resolution Process as per Section 54A (2) (g) of Insolvency and Bankruptcy Code, 2016". The application provides for mode and methods for settlement of dues of each of the financial creditors. Further, the said application has been admitted by the NCLT and on August 10, 2023, the said Authority approved the Prepackaged Plan.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION:

Pursuant to the Pre-Packed Insolvency Resolution Process under Insolvency and Bankruptcy Code, 2016, the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions, thereof are as under:

Sr. No.	Name of the Bank	Total outstanding loan (in ₹)	Resolution amount (in ₹)
1.	Canara Bank	96,77,21,328	32,17,10,279

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

Sr. No.	Particulars	Mr. Sudarshan Chokhani (Managing Director)	Mr. Mukesh Ashar (Chief Financial Officer and Whole-Time Director)	Mr. Prasanna Ramdas (Company Secretary)	Mr. Debasis Acharya (Chief Executive Officer)
I.	Elements of remuneration				
1.	Salary	4,200,000	8,12,500	3,36,000	15,00,000
2.	Benefits	Nil	52,000	Nil	Nil
3.	Bonuses	Nil	35,000	Nil	Nil
4.	Stock Options	NA	NA	NA	NA
5.	Pension	NA	NA	NA	NA
II.	Additional Details				
1.	Details of fixed component	4,200,000	8,99,500	3,36,000	15,00,000
2.	Details of performance linked incentives along with the performance criteria	NA	NA	NA	NA
III.	Additional Details				
1.	Service Contracts	5 Years	3 years	NA	NA
2.	Notice Period	90 days	90 days	90 days	90 DAY
3.	Severance Fees	90 days Salary	90 days salary	90 days salary	90 daysalary
IV.	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NA	NA	NA	NA

ACKNOWLEDGMENTS AND APPRECIATION:

The Board of 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
Whole-time Director & CFO
DIN: 06929024

Date: August 23, 2023

Place: Mumbai

Sr. No.	Annexure
I	Form AOC- 2
II	Management Discussion and Analysis Report
III	Statement on manner of Evaluation of Board Of Directors, Committee and Individual Directors
IV	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
V	Form No. MR-3
VI	Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

ANNEXURE I**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of material 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:

- Rent at the rate of Rs. 250000 PM from October, 2022 for 5 month and at the rate of Rs 2,75,000 PM from September 01 ,2022 to March 31,2023 with the option for renewal right for subsequent 22 months and 10% increasement every September in rent.

Registered Office

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

Date: August 23, 2023

Place: Mumbai

**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
Whole-time Director & CFO
DIN: 06929024

ANNEXURE – II**MANAGEMENT AND DISCUSSION ANALYSIS****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Global economic overview:**

Global growth is projected to grow from \$168.84 billion in 2022 to \$255.21 billion by 2029, at a CAGR of 6.1% in the forecast period, 2022-2029. The global COVID-19 pandemic has been unprecedented and staggering, with aluminium experiencing lower-than-anticipated demand across all regions compared to pre-pandemic levels.

The Aluminium Extrusion market is expected to register fluctuating growth trends in the long term, while inflation and supply chain concerns are expected to continue in 2023. Shifting consumer preferences in a projected economic downturn scenario, amendments to industrial policies to align with growing environmental concerns, huge fluctuations in raw material costs triggered by prevailing geo-political tensions, and expected economic turbulences are noted as key challenges to be addressed by the Aluminium Extrusion industry players during the short and medium term forecast. Crude oil prices fluctuating to the tune of \$60/barrel in one year are emerging to be a key concern for the Aluminium Extrusion market, as fuel and chemical prices are impacting many other segments. Concern of global economic slowdown, the Impact of war in Ukraine, lockdowns in China with resurging COVID cases, and the Risks of stagflation envisaging numerous market scenarios are pressing the need for Aluminium Extrusion industry players to be more vigilant and forward-looking. Robust changes brought in by the pandemic COVID-19 in the Aluminium Extrusion supply chain and the burgeoning drive for a cleaner and sustainable environment are necessitating companies to alter their strategies. Dominating presence of major manufacturing sectors of aluminum extrusions in countries, such as China, India, Vietnam, Japan, and South Korea are positively influencing the demand for the same. China is projected to play a crucial part for increasing the sales of aluminum extrusion owing to its extensive construction sector. The Chinese government is planning to invest in transport and energy infrastructure. This, in turn, is likely to increase the demand for aluminum extrusion. Thus, Asia Pacific is expected to possess nearly 70% market share for aluminum extrusion. Resumption of industrial operations post-pandemic is projected to provide a push to the market growth. In addition, initiatives by government regarding economic development is expected to create lucrative opportunities for aluminum extrusion in North America.

COVID-19 IMPACT

During COVID-19 pandemic, extended lockdowns in key manufacturing industries such as construction, automotive, electronics, industrial machinery, and consumer appliances across all regions led to short-term production halts. Thus, demand for Aluminium from the industrial sector suddenly went down. Due to supply chain disruptions across key consuming countries across all regions, in 2020, the year-on-year growth rate of the global market considerably dropped as compared to 2019. Moreover, the demand for bauxite ore across all regions was significantly impacted due to shortage of raw material & inventory, short-term production halt, economic slowdown, trade restrictions, and changing consumer behavior with response to the COVID-19 outbreak and other reasons. The post-Covid-19 pandemic recovery is being hit by a potentially huge global supply shock that will reduce growth and push up inflation. The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2023. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spill overs through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries—most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic.

Global Aluminium Market Outlook:**ALUMINUM MARKET - GROWTH, TRENDS, COVID-19 IMPACT, AND FORECASTS (2022 - 2027)**

The Aluminium Market is Segmented by Processing Type (Castings, Extrusions, Forgings, Rods and Bars, Sheets and Plates, and Other Processing Types (including Pigments and Powders)), End-user Industry (Automotive, Aerospace and Defence, Building and Construction, Electrical and Electronics, Packaging, Industrial, and Other End-user Industries), and Geography (Asia-Pacific, North America, Europe, South America, and Middle-East and Africa).

Market Overview

The aluminum market was evaluated at USD 112 billion in 2021 and is projected to register a CAGR of over 6% during the forecast period 2022-2027. Over the medium term, the major factor expected to drive the market studied includes increasing construction activities in the Asia-Pacific region. Growth in the electric vehicles market will likely provide new growth opportunities. On the flip side, the slowdown in the global automotive industry is expected to hinder the growth of the market in the forecast period 2022-2027. The Asia-Pacific region represents the largest market, and it is also expected to be the fastest-growing market over the forecast period due to increasing consumption from countries such as China, India, and Japan. Aluminum Market size reached USD 160 billion in 2022 and is poised to depict over 5% CAGR through 2023- 2032. The rising preference for aluminum packaging in the food and pharma sectors will propel the global market demand.

Key Market Trends

Increasing Demand from the Building and Construction Industry; In the building and construction industry, aluminium is the second most widely used metal. It is extensively used in windows, curtain walls, roofing and cladding, solar shading, solar panels, railings, shelves, and other temporary structures. Increasing construction activity worldwide is one of the key factors driving the market studied in recent times. The Asia-Pacific construction sector is the largest globally, and it is growing at a healthy rate, owing to increases in the population, middle-class incomes, and urbanization. This has accelerated the demand for hotels, shopping malls, high-rise buildings, arenas, and stadiums (both outdoor and indoor), in turn boosting the construction industry and driving the demand for aluminium in the region. [EE] Annual Report 2022-23

Corporate Overview

Asia-Pacific has the largest low-cost housing construction segment, led by China, India, and various Southeast Asian countries. China includes the largest construction market in the world, encompassing 20% of all construction investments globally. China is expected to spend nearly USD 13 trillion on buildings by 2030. In North America, the US is the largest market for residential construction and is one of the major growth

markets in the world.

Almost 80% of individuals prefer single-family housing as an end goal, and almost 70% of people are executing this goal, thus, resulting in an increase in the number of houses being constructed every year. Overall, the recovering construction activities worldwide are expected to drive the demand for aluminium from the building and construction industry during the forecast period. The Indian electronics market is expected to reach USD 400 billion by 2025. Additionally, India is expected to become the world's fifth-largest consumer electronics and appliances industry by 2025. The Indian packaging industry is expected to grow at 22% during the forecast period. Moreover, the Indian packaging market is expected to reach USD 204.81 billion by 2025, registering a CAGR of 26.7% between 2020 and 2025. In Japan, it is estimated that by 2025, the retail sales in the packaged food market are expected to reach USD 204.5 billion, a growth of 3.6% or USD 7 billion. Such projected growth in the packaging industry will likely drive the demand for aluminum used as foils during the forecast period. Indian Aluminium & Aluminium Extrusion Market Outlook The India aluminium extrusion market size was valued at \$1.3 billion in 2019, and is projected to reach \$2.5 billion by 2027, growing at a CAGR of 8.3% from 2020 to 2027. Increase in demand for lightweight materials in various end-user industries is the major growth driver of the aluminium extrusion market in India. However, high capital cost and slow productivity of aluminium extrusion restricts the market growth. Based on product, anodised extrusion is expected to witness highest India aluminium extrusion market growth. This is attributed to high chemical resistance of anodized extrusion, which are becoming increasingly important for industrial applications. Due to the thick layer of aluminium oxide, it is highly resistant to corrosion. India has 400 die casting companies, making it one of the major suppliers of die cast parts in global market. Of these, over 25 units produce around 12000 tonnes of die cast parts per year. Aided by the 1.3 million tons of aluminium production, the Indian industry consumes over 0.28 million tons of die-castings. In general, the die casting market is highly correlative to automobile industry. Availability of skilled, cheaper labour force and the government incentives for small and medium scale industries, stringent emission norms, and favourable domestic environment for automobile industry is expected to drive die casting market in India.

OPPORTUNITIES AND THREATS

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.

COMPANY OVERVIEW AND GROWTH STRATEGY

Improved service, prompt response and wider reach to dealers, distributors and the satisfaction of customers have been our continued endeavour for business development. Success Drivers Integration:

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) **Delay in clearances/approval by Govt. agencies:** There are delays in obtaining lease renewals for land mortgaged with financial institutions and banks. This adversely affects the financial facilities obtained from the Banks.
- c) **Competition from local manufacturers:** Some of the customers prefer local suppliers for faster deliveries. Further to compete with local suppliers, we have to sacrifice our margin to neutralize the effect of higher Freight and Central Sales Tax. We are located in a comparatively under-developed part of the country and the demand in this part is not good enough to account for our capacity. We have to sell a substantial quantity (over 70%) in other parts of India where our realization is lower compared to local supplies due to impact of the high freight and Central Sales Tax. d) **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.
- e) **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 current risk management framework consists of the following elements: A strong and independent Internal Audit Function carries out risk focused audits enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Committee closely monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented. The Senior 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.

INTERNAL CONTROL SYSTEM

The internal control systems and procedure are continuously monitored to enhance its effectiveness and to be commensurate with the scale and nature of its operations. The Audit Committee reviews compliance to the Revenue Recognition of the Company. Internal audit activities are undertaken as per the Annual Audit Plan as approved by the Audit Committee and the committee reviews compliance with the plan. The Audit Committee regularly meets with the statutory auditors to review their observations on the financial reports.

DEVELOPMENT IN HUMAN RESOURCES & INDUSTRIAL RELATIONS

The Company continues to maintain a cordial and healthy relationship with its workforce.

To attract and retain good employees in the company, we are ensuring the best place to work. All efforts are being made to control cost so as to maintain present level of profitability. Industrial relations remained stable throughout the financial year 2022-23.

CAUTIONARY STATEMENT

Statements forming part of the Management Discussion and Analysis covered in this report may be forwardlooking within the meaning of applicable securities laws and regulations. Actual results may differ materially

Registered Office

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

Date: August 23, 2023

Place: Mumbai

**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
Whole-time Director & CFO
DIN: 06929024

ANNEXURE III**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).

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 the Company's policies and internal procedures etc.

the Board of Directors have expressed their satisfaction with the evaluation process.

Registered Office

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**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
Whole-time Director & CFO
DIN: 06929024

ANNEXURE IV

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. 2,50,000 Per Month
- II. Ratio of the remuneration of each Director & KMP to the median remuneration of the Employees of the Company for the Financial Year 2022-23, the percentage increase in remuneration of Director /KMP during the Financial Year 2022-23.

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	2.12:1	
2.	Mr. Mukesh V Ashar	Whole-time Director and CFO	5.38	10% Prorata for 8 months
3.	Mr. Shyantanu Sudarshan Chokhani	Non-executive Director	NA (Non Executive Director not Drawing salary)	NA
4.	Mr. Jal Thanawala	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
5.	Ms. Neha Digvijay Dhuru	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
6.	Mr. Lalit Maharshi	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
7.	Mr. Prasanna Vitthal Ramdas	Company Secretary	12.50	NA
8.	Debasis Acharya	Chief Executive Officer	2.80	NA

- 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. 2022-23 there was no increase in the median remuneration of employees except renewal of wage package of workers.

- IV. The Company has 118 permanent Employees on the rolls of Company as on March 31, 2023.
- 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 March 31, 2023 was Rs 539 Lakhs as compared to Rs 482 lakhs as on March 31, 2022. The price-earning ratio of the Company was -0.39 as at March 31, 2023 and was (-0.35) at March 31, 2022. The closing share price of the Company at BSE limited as on March 31, 2023 being Rs. 5.91 per equity share of face value of 10/- each.
- VIII. There is increase in the salaries of employees/directors' in the Financial Year by 10% prorate for the period of 8 Months
- 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

Date: August 23, 2023

Place: Mumbai

**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
Whole-time Director & CFO
DIN: 06929024

ANNEXURE – V**Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[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]

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

We have conducted Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sudal Industries Limited** (hereinafter called ("**the Company**")). 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 March 31, 2023, 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 March 31, 2023, 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**") to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (v) 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:
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) 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;
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
2. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder were not applicable to the Company for the Financial Year under report.
3. 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;
 - Bombay Shops and Establishment Act, 1948.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited.

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

- a) Pursuant to Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the prior intimation to stock exchange for the Board meeting held on July 22, 2022 was not submitted within the stipulated time period.
- b) Pursuant to Regulation 33, Schedule III & BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results for the quarter ended September 30, 2022 was not submitted within the stipulated time period.
- c) Pursuant to Regulation 46 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company's website was not properly updated with the information required to be disseminated therein;
- d) Pursuant to the Regulation 3(5) and 3(6) of SEBI (Prohibition of Insider Trading) Regulations 2015, the Company is required to maintain a Structured Digital Database ("SDD") and pursuant to the BSE Circular No. 20221028-15 dated October 28, 2022 and 20230329-21 dated March 29, 2023, the Company did not adequately maintained Structured Digital Database.

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. There was no change in the composition of the Board of Directors during the period under report.

Adequate notice was 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.

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 the following events took place that had a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to hereinabove:

- a) The Company had, pursuant to approval of shareholders, sought approval of its creditors for Initiating Pre-Packaged Insolvency Resolution Process of the Company as per Section 54A (2) (g) of Insolvency and Bankruptcy Code, 2016.

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

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

**Date: August 21, 2023
Place: Mumbai**

**P.R. CERTIFICATE NO. 668/2020
UDIN: F005637E000832474**

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

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.

- a. 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.
- b. 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.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. We have obtained, wherever required, the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. 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.
- f. 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**

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

**Date: August 21, 2023
Place: Mumbai**

**P.R. CERTIFICATE NO. 668/2020
UDIN: F005637E000832474**

ANNEXURE VI**CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO****A. Conservation of Energy****2022-23**

i)	Steps taken or impact on conservation of energy	NIL
ii)	Steps taken by the Company for Utilizing alternative source of energy	NIL
iii)	Capital Investment on energy conservation equipment	Nil

B. Technology absorption

i)	Efforts made towards technology absorption	NIL
ii)	Benefits derived (like product improvement, cost reduction, product development or import substitute)	NIL
	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :	
a)	details of technology imported	
b)	the year of import	
c)	whether the technology has been fully absorbed	
d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
iv).	Expenditure incurred on research and development	Nil

C. Foreign Exchange earnings and out go:

	USD (Rs in Lakhs)	14591
	EARNED (RS in lakhs)	10

Registered Office

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

Date: August 23, 2023**Place: Mumbai****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
Whole-time Director & CFO
DIN: 06929024