



# **SUDAL INDUSTRIES LIMITED**

CIN : L21541MH1979PLC021541

## **37<sup>th</sup> Annual Report - 2016**



**TÜV**

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

**Certified Company**

# Corporate Information

**Founder and Promoter Director**

Late Shri. Shriram Chokhani [1924-2010]

**Board of Directors**

**Shri. Sudarshan S Chokhani**

[Managing Director]

**Shri. Shyantanu S Chokhani**

[Non- Executive Director]

**Shri. Mukesh V Ashar**

[Whole Time Director & CFO]

**Shri. Jal S Thanawala**

[Independent Director]

**Shri. Manoj O Shah**

[Independent Director]

**Miss Dimple V Nayak**

[Independent Director, Resigned W.e.f. 3<sup>rd</sup> December, 2015]

**Miss Vedika G Gupta**

[Additional Director, Appointed w.e.f. 23<sup>rd</sup> November, 2015]

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Pooja R Bangera

**CORPORATE MANAGEMENT TEAM**

Shri. George Varghese [G. M. (Operations)]

Shri. Shrikant Kulkarni [Works Manager]

Shri. Rajendra Shah [Chief Marketing Officer]

Shri. Kishore Dulla [Commercial Manager]

**REGISTERED OFFICE & PLANT**

A-5, MIDC, Ambad Industrial Estate,

Mumbai – Nashik Highway,

Nashik – 422010, Maharashtra

Tel No. : 91-253-6636200/201

E-mail : nashik@sudal.co.in

**CORPORATE OFFICE**

26A, Nariman Bhavan,

227, Nariman Point, Mumbai – 400 021

Tel No. : 91-22-61577100/177

E-mail : cs@sudal.co.in / mumbai@sudal.co.in

**CIN: L21541MH1979PLC021541**

**REGISTRAR & SHARE TRANSFER AGENT**

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup (W), Mumbai – 400 078.

Tel No. 91-22-25946970

Fax No. 91- 022-25946969

E-mail : rnt.helpdesk@linkintime.co.in

**STATUTORY AUDITORS**

Lodha & Co.

Chartered Accountants

Karim Chambers,

40, Ambalal Doshi Marg,

Mumbai – 400 023

**BANKERS**

Syndicate Bank, Mumbai

**SOLICITORS & ADVOCATES**

India Law Alliance

Surya Mahal, 1<sup>st</sup> Floor,

5 Burjorji Bharucha Marg,

Fort, Mumbai – 400 023

**37<sup>th</sup> ANNUAL GENERAL MEETING**

On Sunday, 24<sup>th</sup> July, 2016 at 03.00 PM.

At Hotel Seven Heaven,

Mumbai – Agra Road,

Opposite Mahindra House,

Pathardi Phatha,

Nashik – 422010

Maharashtra

Page No.	Content
2	Managing Director's Statement
4	Notice
12	Boards' Report
41	Management Discussion and Analysis
43	Independent Auditors' Report
45	Annexure to Independent Auditors' Report
49	Balance Sheet
50	Statement of Profit & Loss
51	Cash Flow Statement
52	Significant Accounting Policies and Notes
	Forming Part of the Financial Statements
	Proxy Form



## Managing Director's Statement - 2015-16

*Dear Shareholders,*

It is indeed an honour to address the 37<sup>th</sup> Annual General Meeting of our Company. I am glad to extend a warm welcome to all of you on behalf of the Board of Directors, Management and the Employees of the Company.

It goes without saying that a large part of who we are today has been shaped entirely by the continued support and motivation from you and I am confident that this support will continue for years to come.

### *Economic Outlook*

The capacity utilisation of domestic aluminium industry has fallen drastically since 2008 due to the intermittent slowdown in global economy leading to global price reductions.

The domestic aluminium industry, that has been facing tough times on account of cheap imports and softening of prices, is now pushing for increasing the duty of raw materials in a bid to meet production costs. The cost of production is higher than the international prices. China has drastically reduced the consumption due to slow growth in economy resulting into steep downfall in demand for aluminium and aluminium product.

Indian aluminium industry will continue to face difficulty unless world prices increase because in the short-run it is "virtually impossible" to reduce production cost, said the 2015-16 report card of state of the economy tabled by Finance Minister Arun Jaitley in Parliament.

India in general and the eastern states of Andhra Pradesh & Odisha in particular, hold vast potential for development of alumina and aluminium industry because of the availability of rich bauxite deposits (> 75%) & coal (> 33%), the main inputs for aluminium industry. This will bring good development in the most under developed region of the country by turning mineral and metal potential of the eastern states.

### *Company Performance*

Our Company has faced a very challenging year, due to various reasons, like depressed metal prices, de-growth in metal consumption in India and subdued growth in other emerging markets coupled with cheap imports from China & other Countries.

Given the tough economic conditions and the general sluggishness in demand from the industrial consumers that the Company thrives on, the Company has incurred a loss of ₹ 631.19 Lacs as against the loss of ₹ 838.19 Lacs in financial year 2014-2015. As mentioned earlier, key reasons for adversities was on account of downward pressure on metal price and consequent change due to huge capacity created by China and cut throat competition in local market.

Going forward, the focus would be to continue our efforts to improve efficiency levels at each and every stage of our operations. This, along with increase in capacity utilization on revival of demand/economy improvement would ensure that the profitability would return to healthy levels.

Further, the Company's proposal is under final stage of restructuring cum enhancement of limits.

### ***Future Outlook***

Globally, aluminium prices like other metal prices are cyclical and though it is difficult to forecast when they will begin to move upwards, the trend is expected to change when world industrial growth improves.

Moving forward, we will continue to leverage our established track record, commitment to quality and strong network of domestic customers to achieve greater value for our shareholders. Our vision is to expand our business volume where margins are comparable.

### ***Acknowledgements***

Our Directors express their sincere appreciation to the active involvement and dedication of the officers, employees and workers of the Company at all levels to show the resilience in the performance of the Company.

Your Directors would also like to place on record their appreciation for the continued support and co-operation to the Company by the bankers, other business associates, regulatory authorities, customers, vendors, shareholders and Stock Exchange.

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2016**

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



## Notice

### TO THE SHAREHOLDERS,

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of the Members of the Company will be held on Sunday, 24<sup>th</sup> July, 2016 at 3.00 P.M. at Hotel Seven Heaven, Mumbai Agra Road, Opp. Mahindra House, Pathardi Phata, Nashik – 422 010 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, approve, and adopt the Audited Balance Sheet as on 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, and Cash Flow for the year ended on that date, and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Shyantanu S Chokhani (DIN 02444142), who retires by rotation, and being eligible, offers himself for re-appointment.
3. To approve ratification of appointment of statutory auditors and fix their remuneration. In this regard, to consider, and if thought fit to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** the appointment of M/s Lodha & Co., Chartered Accountants, (Firm Reg No. 301051E), registered with ICAI, who were appointed as Statutory Auditors of the Company, to hold office from the conclusion of 35<sup>th</sup> Annual General Meeting of the Company until the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company be and is hereby ratified for the Financial Year 2016-17 and, the Board of Directors be and is hereby authorised to fix such remuneration for the Financial Year 2016-17, as may be determined by the Audit Committee in consultation with the Auditors.”

### SPECIAL BUSINESS :

#### 4. Appointment of Ms. Vedika Gupta as an Independent Director

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

**“RESOLVED THAT** in accordance with the provisions of Section 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including and statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Vedika Gupta (DIN 07344836), who was appointed as an Additional Director pursuant to the provision of Section 161 of the Companies Act, 2013 to hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director along with requisite deposit be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years up to 23<sup>rd</sup> July, 2021 and that she shall not be liable to retire by rotation as stipulated under Section 149(13) of the Companies Act, 2013.

#### 5. Remuneration to Cost Auditor

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

**“RESOLVED THAT** pursuant to the provisions of section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as per the recommendation of the Audit Committee, payment of remuneration to Shri Hemant V Shah, Cost Accountants (Membership No. M/7839) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017 of ₹ 60,000/- (Sixty Thousand Only) be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### Registered Office

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

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

Sd/-

Place: Mumbai

Date: 14<sup>th</sup> May, 2016

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

**NOTES:**

- 1) The explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to items of special business to be transacted at the Annual General Meeting (the "Meeting") is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER/S AS THE CASE MAY BE. THE INSTRUMENT APPOINTING THE PROXY DULY COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A REQUISITION FOR INSPECTING PROXY MAY BE MADE BY ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING AND SUCH REQUISITION SHALL BE MADE IN WRITING AND DEPOSITED WITH THE COMPANY ATLEAST 3 DAYS BEFORE THE COMMENCEMENT OF THE MEETING. SUCH INSPECTION SHALL BE PROVIDED DURING 24 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AND SHALL CONTINUE TILL THE CONCLUSION OF THE MEETING. INSPECTION SHALL BE ALLOWED BETWEEN 9.00 A.M. to 6.00 P.M. DURING SUCH PERIOD. IN CASE OF MEETING BEING ADJOURNED A FRESH REQUISITION SHALL BE LODGED WITH THE COMPANY WHERE ANY MEMBER DESIRES TO INSPECT THE PROXIES FOR SUCH ADJOURNED MEETING.
- 3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total Share Capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 4) The Register of Members and the Share Transfer Books of the Company shall remain closed from 19<sup>th</sup> July, 2016 to 24<sup>th</sup> July, 2016(both days inclusive).
- 5) Members are requested to notify immediately any change in their address to their depository participants (DPs) in respect of shares held in Demat form; and to the Registrar and Transfer Agent of the Company, Link Intime (India) Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078 in respect of shares held in physical form, quoting their folio numbers.
- 6) As members are aware, equity shares of the Company are traded mandatorily in electronic form for all shareholders. Members who still hold share in physical form may dematerialize the same. ISIN – allotted to the Company for this purpose is INE618D01015.
- 7) As per SEBI Circular No. MRD / DOP / Cir -05 / 2009 dated 20<sup>th</sup> May, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore the transferee(s) is required to submit the self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
- 8) Members desirous of availing the facility of nomination in respect of shares held by them may send their nomination in the prescribed Form No. SH-13 duly filled in, to the Company's Registrar and Share Transfer Agent, quoting their respective folio number/s, and giving details of share certificate number/s and distinctive number of shares. The form can be obtained from the Registrars and Share Transfer Agents or from the website of the Company at [www.sudal.in](http://www.sudal.in).
- 9) Members desirous of getting any information in relation to the Company's Annual Report 2015-16 are requested to address their query(ies) well in advance i.e. at least 10 days before the Meeting to the Company at Registered office to facilitate clarifications during the Meeting.
- 10) The instructions for members for voting electronically are as under

<b>SECTION A : e -VOTING PROCESS – SHAREHOLDERS HOLDING SHARES IN DEMAT FORM</b>		
<b>EVSN</b>	:	160615003
Step 1	:	Open your web browser during the voting period and log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>
Step 2	:	Click on " Shareholders/Members" to cast your vote(s)
Step 3	:	Select the Electronic Voting Sequence Number – " <b>EVSN</b> " along with " <b>SUDAL INDUSTRIES LIMITED</b> " from the drop down menu and click on " <b>SUBMIT</b> "



<b>SECTION A – E-VOTING PROCESS – SHAREHOLDERS HOLDING SHARES IN DEMAT FORM</b>		
Step 4	:	Fill up the Following details in the appropriate boxes (also refer Section C (7), below)
User–ID	:	a) For account holders in CDSL : Your 16 digit beneficiary ID b) For account holders in NSDL : Your 8 characters DP ID and followed by 8 digits Client ID
Character Displayed	:	Please enter the 'Character Displayed' in the Box provided for the same and click login.
<b>PAN</b>	:	Enter your 10 digits alpha-numeric PAN issued by the Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on attendance slip, in the PAN field.
<b>DOB*</b>	:	Enter the date of birth recorded in the Demat Account or registered with the Company for the Demat Account in DD/MM/YYYY format
<b>DIVIDEND BANK DETAILS*</b>	:	Enter your dividend bank details (Account Number) recorded in the Demat Account or registered with the Company for the Demat Account. In absence of Bank Details, you may enter number of shares held by you as on Cut – Off Date.
* Any one of the details DOB or DIVIDEND BANK DETAILS or NUMBER OF SHARES held by you should be entered for logging in to the account.		
Step 5	:	After entering these details appropriately, click on " <b>SUBMIT</b> " tab.
Step 6		Shareholders holding shares in Demat form will now reach "Password Creation" menu wherein, they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share password with any other person and take utmost care to keep your password confidential. Please also refer to Section C (7) below
Step 7	:	Click on the relevant EVSN on which you choose to vote.
Step 8	:	On the voting page, you will see resolution description and against the same, the option "YES / NO" for voting. Select the relevant option as desired YES or NO and click on "SUBMIT".
Step 9:		Click on Resolution File link if you wish to view the Notice
Step 10:		After selecting the resolution, you have decided to vote on click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
Step 11:		Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote

<b>SECTION B – E-VOTING PROCESS – SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM</b>	
EVSN	160615003
Step 1	Open your web browser during the voting period and log on to the e-voting website <a href="http://www.evotingindia.com">www.evotingindia.com</a>
Step 2	Click on " Shareholders/Members" to cast your vote(s)
Step 3	Select the Electronic Voting Sequence Number – " <b>EVSN</b> " along with " <b>SUDAL INDUSTRIES LIMITED</b> " from the drop down menu and click on " <b>SUBMIT</b> "
Step 4	Now fill the Following details in the appropriate boxes
<b>USERID</b>	: Folio Number registered with the Company
Character Displayed	: Please enter the ' Character Displayed' in the BOX provided for the same and click on login.
<b>PAN</b>	Enter your 10 digits alpha numeric PAN issued by the Income Tax Department. Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Attendance slip, in the PAN field.
<b>DOB*</b>	Enter the date of birth recorded in the Demat Account or registered with the Company for the Demat Account in DD/MM/YYYY format
<b>DIVIDEND BANK DETAILS</b>	Enter your dividend bank details (Account Number) recorded in the Demat Account or registered with the Company for the Demat Account. In absence of Bank Details, you may enter number of shares held by you as on Cut – Off Date.
* Any one of the details DOB or DIVIDEND BANK DETAILS or NUMBER OF SHARES held by you should be entered for logging in to the account.	
Step 5	After entering these details appropriately, click on "SUBMIT" tab.
Step 6	You will then reach directly to the Company Selection Screen / Voting Screen.

**For next steps, please refer to Step 7 to Step 11 as mentioned in Section A above.**

#### **SECTION C – COMMENCEMENT OF e - VOTING PERIOD AND OTHER e – VOTING INSTRUCTIONS:**

1. The e-Voting period commences on 21<sup>st</sup> July, 2016 (at 9.00 A.M.) and shall end on 23<sup>rd</sup> July, 2016 (at 5.00 P.M.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Shareholder(s), the Shareholder(s) shall not be allowed to change it subsequently.
2. The voting rights of Shareholders shall be in proportion in their Shares of the paid-up Equity Share Capital of the Company.
3. A person whose name appears in the register of Members/Beneficial Owners as on the cut-off date i.e. 18<sup>th</sup> July, 2016, only shall be entitled to avail the facility of e-voting as well as voting at the meeting.
4. Members who cast their vote by e-voting may attend the meeting but shall not be entitled to cast their vote again.



5. Shri Jayesh M. Shah, Practicing Company Secretary (Membership No : F5637) has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
6. Copy of the notice has been placed on the website of the Company viz., [www.sudal.in](http://www.sudal.in) and the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
7. If you are holding Shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login ID and password are to be used.
8. For Shareholders holding shares in physical form, the password and default number can be used only for e-voting on the resolutions given in the Notice.
9. If Demat Account holder has forgotten his password, then enter the User ID and the image verification code and click on forgot password & enter the details as prompted by the system.

#### 10. FOR INSTITUTIONAL SHAREHOLDERS

- Institutional Shareholders (i.e., other than Individuals, HUF, NRI etc.,) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details, they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, in PDF format in the System for the scrutinizer to verify the same.
11. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication (s) regarding CDSL e-voting system in future. The same may be used in case the Shareholder forgets the password and the same needs to be reset.
  12. The results of the e-voting will be announced by the Chairman of the Meeting on or after the 37<sup>th</sup> Annual General Meeting to be held on Sunday, 24<sup>th</sup> July, 2016. The result of the Voting will be communicated to the Stock Exchange and will be placed on the website of the Company [www.sudal.in](http://www.sudal.in)
  13. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQ) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## CONTACT DETAILS

Company	:	Sudal Industries Limited Corporate office 26A , Nariman Bhavan 227, Nariman Point, Mumbai – 400 021 Tel No. 91-22-61577100 / 177 Email : cs@sudal.co.in Website: sudal.co.in
Registrar & Share	:	Ms. Sharmila Amin Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078. Tel No. 91-22-25946970 Fax No. 91- 022-25946969 E-mail : rnt.helpdesk@linkintime.co.in
e-Voting Agency	:	Central Depository Services (India) Ltd 17th Floor, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 Email-helpdesk.evoting@cdslindia.com
Scrutinizer	:	Mr. Jayesh M. Shah Practicing Company Secretary (Membership No. F5637) A-303, Prathmesh, 3rd Floor, Raghuvanshi Mill Compound, 11-12, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

### Registered Office

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

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

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2016**

**Sudarshan S Chokhani**

**Managing Director**

**DIN: 00243355**



## Annexure to Notice

EXPLANATORY STATEMENT pursuant to Section 102 of the Companies Act, 2013 setting out all the material facts pertaining to the Special Business.

### Item No. 4 :

As per the provisions of Section 149(4) of the Companies Act, 2013 the Board of Directors of every listed Company shall have at least one third of the total number of directors as Independent Directors and an Independent Director can hold office for a term of upto five consecutive years. In the opinion of the Board, Ms. Vedika Gupta (DIN 07344836), who has been appointed as Independent Director, fulfills the conditions for 'Independence' specified under the Companies Act, 2013 for such appointment. She is a member of the Institute of Company Secretaries of India and has experience in the field of Legal and Secretarial matters.

The Company has received a Notice in writing from a member of the Company alongwith the deposit of ₹ 100,000/- as per the provisions of Section 160 of the Companies Act, 2013, signifying it's intention to propose the candidature for the office of Director of the Company.

Pursuant to the provisions of the above referred Section it would be necessary to seek the approval of members for appointment of Independent Director.

The copies of the Notice as aforesaid, and a copy of draft letters of appointment of the aforesaid Director, setting out the terms and conditions of appointment would be available for inspection at the Registered Office of the Company on all working days during the business hours till the date of the Annual General Meeting and the said documents shall also be placed at the meeting.

The Board recommends the resolution as set out in Item No. 4 of the Notice to the Members for their acceptance.

Save and except Ms. Vedika Gupta no other Directors, Promoters and Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

### Item No. 5 :

The Board, on the recommendation of the Audit Committee, approved the appointment and payment of remuneration of ₹ 60,000/- (Rupees Sixty Thousand Only) to the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors requires to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2017 by way of Ordinary Resolution.

None of the Directors, Key managerial personnel of the Company or their respective relatives are deemed to be concerned or interested otherwise in the said resolutions.

### Registered Office

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

Place: Mumbai

Date: 14<sup>th</sup> May, 2016

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

Sd/-

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

**Details of Directors seeking Appointment/Re-Appointment at the Thirty Seventh Annual General Meeting:**

<b>Name of the Director</b>	<b>Mr. Shyantanu S Chokhani</b>	<b>Ms. Vedika G Gupta</b>
Date of Birth	27.11.1990	09.11.1991
Date of Appointment	29.12.2008	23.11.2015
DIN/PAN No.	02444142	07344836
Qualification	Bachelor of Business Administration (Nottingham University – U.K.)	B.com, Member of Institute of Company Secretaries of India
Expertise in specific functional area	Strategic Management & Marketing	Corporate Secretarial Compliance
Directorship held in other public Ltd. Company	Nil	Nil
Relationship between Directors inter-se	Son of Mr. Sudarshan Chokhani (Managing Director)	Not related to any Director of the Company
Number of Equity Shares of ₹ 10 each held in the Company by himself/herself or for any other person on a beneficial basis	12,18,200	Nil

**Registered Office**

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

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

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2016**

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



## Boards' Report

To  
The Members,  
Sudal Industries Limited

Your Directors have pleasure in presenting the Thirty Seventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

### I. FINANCIAL RESULTS

The Company's performance during the year ended 31st March, 2016 as compared to the previous financial year, is summarized below:

Particulars	( ₹ in Lacs)	
	For the financial year ended 31 <sup>st</sup> March, 2016	For the financial year ended 31 <sup>st</sup> March, 2015
<b>Total Revenue</b>	<b>6972.11</b>	8075.54
<b>Earnings before interest, depreciation and tax</b>	<b>30.09</b>	331.36
Less: Interest and Finance Charges	<b>1177.04</b>	1023.89
Less: Depreciation	<b>121.95</b>	142.69
<b>Profit/(Loss) Before Taxation</b>	<b>(1268.90)</b>	( 835.22)
Less: Provisions for Current Tax	-	-
Less: Provision for Deferred Tax	<b>(637.71)</b>	2.97
<b>Profit/(Loss) after Tax</b>	<b>(631.19)</b>	( 838.19)
Surplus brought forward from previous year	<b>(24.53)</b>	818.91
Adjustment for depreciation on revaluation reserve for earlier years	-	(5.25)
Surplus / (Loss) Carried Forward to Next Year	<b>(655.72)</b>	(24.53)

### OPERATIONS AND RESULTS:

The downward trend in price of primary metal continues due to the sluggish economic conditions pertaining to Aluminium Extrusions, which continued to be the preliminary object of the Company.

The Directorate General of Safeguard in its preliminary investigation found that aluminum imports have caused financial losses to the domestic industry and had therefore recommended a provisional safeguard duty of 5 percent on unwrought aluminum imports.

According to the data available with the Ministry of Commerce, imports of unwrought aluminum into India has shown a substantial increase from 242,533 tonnes in 2011-12 to 432,370 tonnes till 2015-16 recording an increase of 78 percent on annualized basis.

The Company could sail through another challenging phase of Financial Year 2015-2016 due to your continued support. The Company has incurred a loss of ₹ 631.19 lacs as against the loss of ₹ 838.19 lacs incurred by the Company in Financial year 2014-2015

During the year under review, due to downward pressure on metal price and consequent change in sales pattern from substantial out right sales to accepting the orders on conversion, basis the turnover was lower.

The financial year 2015-2016 had started with a decline in the generation of revenue and other input cost getting decreased / stable by the end of the financial year. This enables the Company to curtail the loss to some extent. The last Quarter of the Financial Year could only generate profits before interest against loss in the corresponding March quarter.

The Company had incurred an average expenditure throughout the Financial Year 2015-2016. However the profitability of the Company due to the volatile market conditions had been affected throughout the year.

**II. DIVIDEND:**

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

**III. 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.

**IV. REVISION OF FINANCIAL STATEMENT:**

There was no revision of the financial statements for the year under review.

**V. 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.

**VI. 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.

**VII. 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.

**VIII. 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.

**IX. 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.

**X. 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.

**XI. 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. 12 and 13 which are forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2016.

**XII. 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.

**XIII. 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.

**XIV. 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.

**XV. 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.

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

The Management Discussion and Analysis forms an Integral Part of this Annual Report.

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

During the year the following appointments, resignation took place:

Sr. No.	Particulars
1.	<p>The Board appointed Ms. Vedika Gupta as an Additional Director with effect from 23<sup>rd</sup> November, 2015.</p> <p>As per the provisions of Section 149 of the Companies Act, 2013 the Company needs to have atleast one women director on the Board. In order to comply with these requirements, the Board of Directors appointed Ms. Vedika Gupta as an additional director and a women director of the Company, categorized as Independent Director w.e.f. 23<sup>rd</sup> November, 2015 and who shall hold office till the date of this Annual General Meeting.</p> <p>The Company has received a notice from a member proposing the candidature of Ms. Vedika Gupta as the Director of the Company. Necessary resolution for appointment of Ms. Vedika Gupta as Director of the Company is included in the Agenda of Notice of Annual General Meeting. Your Board recommends her appointment.</p>
2.	Ms. Dimple Nayak resigned from Directorship with effect from 3 <sup>rd</sup> December, 2015.
3.	Mr. Ketan Shirwadkar resigned from the post of Company Secretary with effect from 10 <sup>th</sup> October, 2015.
4.	<p>The Board of Directors appointed Mr. Saurabh Patkar, an Associate Member of the Institute of Company Secretaries of India as Company Secretary of the Company w.e.f 14<sup>th</sup> November, 2015, designated as Key Managerial Personnel under section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Management and Administration) Rules, 2014.</p> <p>Further, Mr. Saurabh Patkar resigned from the post of Company Secretary and Compliance Officer with effect from 19<sup>th</sup> March, 2016.</p>
5.	The Board of Directors appointed Ms. Pooja Bangera, an Associate Member of the Institute of Company Secretaries of India as Company Secretary and Compliance Officer of the Company w.e.f 14 <sup>th</sup> May, 2016, designated as Key Managerial Personnel under section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Management and Administration) Rules, 2014.

**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.

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

The Board of Directors met **4 times** during the financial year ended 31st March 2016 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:

26 <sup>th</sup> May, 2015	31 <sup>st</sup> July, 2015	14 <sup>th</sup> November, 2015	12 <sup>th</sup> February, 2016
----------------------------	-----------------------------	---------------------------------	---------------------------------

**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, 2016, 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 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<sup>st</sup> March, 2016 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.

**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.	Name of Director	Category
1.	Mr. Jal Thanawala	Independent – N.E.D* (Chairman)
2.	Mr. Manoj Shah	Independent – N.E.D (Member)
3.	Mr. Sudarshan Chokhani	Managing Director (Member)
4.	Mr. Shyantanu Chokhani (up to 14th February, 2015)	Non –Executive Director
5.	Ms. Dimple Nayak (31st July, 2015 to 3rd December, 2015)	Independent- N.E.D (Member)
6.	Ms. Vedika Gupta (w.e.f. 14th May, 2016)	Independent- N.E.D (Member)

\* N.E.D : Non –Executive Director

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**

#### **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:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>
1.	Mr. Manoj Shah	Independent – N.E.D* (Chairman)
2.	Mr. Jal Thanawala	Independent – N.E.D (Member)
3.	Mr. Sudarshan Chokhani	Managing Director (Member)

\* N.E.D : Non – Executive Director

The scope and terms of reference of the Audit Committee have been amended in accordance with the Act.

During the year under review, the Board of Directors of the Company had accepted all the recommendations 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:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>
1.	Mr. Jal Thanawala	Independent – N.E.D* (Chairman)
2.	Mr. Manoj Shah	Independent – N.E.D (Member)
3.	Mr. Sudarshan Chokhani	Managing Director (Member)

\* N.E.D : Non – Executive Director

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

#### **SHARE TRANSFER COMMITTEE:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted the Share Transfer Committee, Comprising of;

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Category</b>
1.	Mr. Sudarshan Chokhani	Managing Director (Chairman)
2.	Mr. Manoj Shah	Independent – N.E.D* (Member)
3.	Mr. Jal Thanawala	Independent – N.E.D (Member)

\* N.E.D : Non – Executive Director

The Company Secretary acts as the Secretary of the Share Transfer Committee.

#### **XIX. 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.

## **XX. 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.

## **XXI. 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.

## **XXII. 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.

## **XXIII. 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.

## **XXIV. AUDITORS AND REPORTS**

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

### **OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2016 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.

### **RATIFICATION OF APPOINTMENT OF AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s. Lodha & Co, Chartered Accountants, (Firm Registration No. 301051E) the Statutory Auditors of the Company have been appointed for a term of 3 Years. However, their appointment as Statutory Auditors of the Company shall be required to be ratified by the Members at the ensuing Annual General Meeting. The Company has received a confirmation from the said Auditors that they are not disqualified to act as the Auditors and are eligible to hold the office as Auditors of the Company.

Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of AGM for seeking approval of members.

**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.

**SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016:**

As per the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, the Company has obtained Secretarial Audit Report from M/s Rathi & Associates, Company Secretaries for the financial year 2015-16 which forms part of the Report (Annexure IV).

**COST AUDITORS:**

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, (including any amendments thereof), as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 14th May, 2016 appointed M/s Hemant Shah & Associates, Cost Accountants (Firm Reg No. 000394), as the Cost Auditors of the Company for the Financial Year Ending 31st March, 2017 on a remuneration of ₹ 60,000 (Rupees Sixty 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 at Item No. 5 of the Notice convening the Annual General Meeting.

**XXV. OTHER DISCLOSURES:**

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

**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 2016 made under the provisions of Section 92(3) of the Act is attached as Annexure V which forms part of this Report.

**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.

**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. 2015-16

**APPOINTMENT OF LINK INTIME INDIA PRIVATE LIMITED AS THE REGISTRAR & SHARE TRANSFER AGENT OF YOUR COMPANY:**

Your Company has appointed M/s. Link Intime India Private Limited as Registrar and Share Transfer Agent in place of M/s. Sharepro Services (India) Private Limited.

**XXVI. CORPORATE GOVERNANCE : (Applicable to Companies giving remuneration as per Section II of Schedule V):**

(₹ in lacs)

<b>PARTICULARS</b>	<b>Mr. Sudarshan S Chokhani (Managing Director)</b>	<b>Mr. Mukesh V Ashar (Whole Time Director) **</b>
<b>A) Elements of Remuneration Package</b>		
Salary	37.00	6.162
Benefits	-	0.455
Bonuses	-	-
Stock Option	-	-
Pension	-	-
Total	37.00	6.618
<b>B) Fixed and Variable Components</b>		
Fixed Component	37.00	6.162
Performance Linked Incentives	-	-
<b>C) Terms of Appointment</b>		
Service Contract	Appointed for 3 years w.e.f 01/09/2015 to 31/08/2018	Appointed for 3 years w.e.f 08/12/2014 to 07/12/2017
Notice Period	3 months in writing	3 months in writing
Severance Fees	Monthly Salary calculated for such no. of years or pay for such no. of months by which the notice falls short of the required no. of months	Monthly Salary calculated for such no. of years or pay for such no. of months by which the notice falls short of the required no. of months
<b>D) Stock Option Details if Any</b>	-	-

**XXVII. ACKNOWLEDGMENTS AND APPRECIATION:**

Our Directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company.

**Registered Office**

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

**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: 14<sup>th</sup> May, 2016**



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

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

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

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

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

<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, 2015 to 31 <sup>st</sup> March, 2020 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, 2015 to 31 <sup>st</sup> March, 2020 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, 2015
<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, 2015
<b>Amount paid as advances, if any</b>	-	-	-	-	-

**Registered Office**

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2016**

**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**

**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).

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.

**Registered Office**

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

**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: 14<sup>th</sup> May, 2016**

**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: ₹ 1,91,544/- 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 2015-16, the percentage increase in remuneration of Chief Financial Officer and other Executive Director and Company Secretary during the Financial Year 2015-16.

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	21.93:1	NIL
2.	Mr. Mukesh V Ashar	Whole-time Director and CFO	3.22:1	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 1.97:1

**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. 2015-16 there was no increase in the median remuneration of employees.
- IV. The Company has 126 permanent Employees on the rolls of Company as on 31st March, 2016.
- 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, 2016 was 816.35 lakhs as compared to ₹ 773.62 Lacs as on 31st March, 2015. The price-earning ratio of the Company was (0.77) as at 31st March, 2016 and was (1.13) at 31st March, 2015. The closing share price of the Company at BSE limited as on 31st March, 2016 being ₹11.08 per equity share of face value of ₹ 10/- each.
- VIII. There was no increase in the salaries of employees in the last 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 Nashik Highway, Nashik-422 010

**Place: Mumbai**

**Date: 14<sup>th</sup> May, 2016**

**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**

**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 Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

To  
The Members,  
**Sudal Industries Limited**  
Mumbai

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 31st March, 2016, 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 **Sudal Industries Limited** ("the Company") for the financial year ended on 31st March, 2016 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - 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, 1992, (effective upto 14<sup>th</sup> May, 2015) and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
2. Provisions of the following 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, 2009;
  - b. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - 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, 1993 regarding



the Companies Act and dealing with client;

- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
3. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with other Acts, Laws and Regulations applicable specifically to the Company as per the list given in **Annexure II**.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) (upto 30th November, 2015) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 1st December, 2015);

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

**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. The changes in the composition of the Board of Directors that took place during the year under review 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. referred to above.

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-

**JAYESH SHAH  
PARTNER  
FCS No. 5637  
C.P. No.2535**

**Date: May 14, 2016**

**Place: Mumbai**

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

**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, 2015.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee, Share Transfer Committee, as well as Minutes of the meeting of Independent Directors held during the financial years under report along with respective Attendance Registers.
4. Minutes of General Body Meetings held during the financial year under report.
5. Proof of circulation and delivery of notice, agenda and notes to agenda for Board and Committee Meetings.
6. Proof of circulation of draft as well as certified signed Board & Committee meetings minutes as per Secretarial Standards.
7. Policies framed by the Company viz. - Policy on Related Party Transactions - Risk Management Policy - Whistle Blower Policy - Policy On Material Subsidiaries - Nomination And Remuneration Policy - Archival Policy - Policy For Determination Of Material Events
8. Statutory Registers viz. - Register of Directors & KMP and their Shareholding - Register of Employee Stock Options - Register of loans, guarantees and security and acquisition made by the Company (Form No. MBP-2) - 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)
9. 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.
10. 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.
11. Intimations received from directors under the prohibition of Insider Trading Code.
12. 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.
13. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 which came into effect from 1<sup>st</sup> December, 2015 during the financial year under report.
14. Compliance Certificate placed before the Board of Directors from time to time.
15. Details of Related Party Transactions entered into by the Company during the financial year under report.
16. Intimation given to employees of the Company for closure of trading window from time to time.
17. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

**ANNEXURE – II****List of applicable laws to the Company:-**

1. Central and State Sales Tax Acts
2. Central Sales Tax Act, 1956
3. Companies Act, 1956
4. Customs Act, 1962
5. Electricity Act, 1958
6. Employee Welfare or Labour Legislations governing the Company and its establishments.
7. Employees Provident Funds and Miscellaneous Provisions Act, 1952
8. Employees State Insurance Act, 1948
9. Factories Act, 1948
10. Foreign Exchange Management Act, 1999
11. Income-tax Act, 1961
12. Indian and State Stamp Acts and the Rules
13. Indian Contract Act, 1872
14. Industrial Disputes Act, 1947
15. Industries (Development and Regulation) Act, 1951
16. Minimum Wages Act, 1948
17. Payment of Gratuity Act, 1972
18. Payment of Wages Act, 1936
19. Sale of Goods Act, 1930
20. Securities and Exchange Board of India Act, 1992
21. Wealth Tax Act, 1957

**ANNEXURE – III**

To,  
The Members  
**Sudal Industries Limited**  
Mumbai

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 basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, 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  
C.P. No.2535**

**Date: May 14, 2016  
Place: Mumbai**



**ANNEXURE V  
MGT 9**

**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31<sup>st</sup> March 2016**

**[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.	:	2382396/65
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 078. Tel No. -02225946970 Fax No: 02225946969 Email- dematremat@linkintime.co.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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	99.18

**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 SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):****(A) CATEGORY-WISE SHARE HOLDING**

	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	3852512	0	3852512	52.29	3852512	0	3852512	52.29	Nil
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	790488	0	790488	10.73	790488	0	790488	10.73	Nil
e) Banks / FI									
f) Any other									
Sub-total(A)(1):	4643000	0	4643000	63.02	4643000	0	4643000	63.02	Nil
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other – Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any other	0	0	0	0	0	0	0	0	0.00
Sub-total (A)(2):	0	0	0	0	0	0	0	0	0.00
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>4643000</b>	<b>0</b>	<b>4643000</b>	<b>63.02</b>	<b>4643000</b>	<b>0</b>	<b>4643000</b>	<b>63.02</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	50	50	0.00	0	50	50	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>0.00</b>	<b>0</b>	<b>50</b>	<b>50</b>	<b>0.00</b>	<b>0.00</b>

**(A) CATEGORY-WISE SHARE HOLDING: (CONTD.)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	318498	8872	327370	4.44	323841	8872	332713	4.51	0.07
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	980780	599517	1580297	21.45	1133125	597564	1730689	23.48	2.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	452498	11200	463698	6.29	309563	0	309563	4.20	(2.09)
c) Others (specify)									
Foreign Body Corporate	325300	0	325300	4.42	325300	0	325300	4.42	0
Non Residential Individual	27528	575	28103	0.38	25928	575	26503	0.35	(0.03)
Any other									
(Non Domestic Cos.)	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(2):</b>	<b>2104604</b>	<b>620164</b>	<b>2724768</b>	<b>36.98</b>	<b>2117757</b>	<b>607011</b>	<b>2724768</b>	<b>36.96</b>	<b>(0.02)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2104604</b>	<b>620214</b>	<b>2724818</b>	<b>36.98</b>	<b>2117757</b>	<b>607061</b>	<b>2724818</b>	<b>36.96</b>	<b>(0.02)</b>
<b>C. Shares held by</b>									
<b>Custodian for</b>									
<b>GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>6747604</b>	<b>620214</b>	<b>7367818</b>	<b>100.00</b>	<b>6760757</b>	<b>607061</b>	<b>7367818</b>	<b>100.00</b>	<b>0.00</b>

**(B) SHAREHOLDING OF PROMOTER**

SI. 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	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% 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	Sudarshan Shriram Chokhani HUF	10500	0.14	0.00	10500	0.14	0.00	-
	<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 SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS)**

SI No.	Particulars of Shareholders 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
<b>1</b>	<b>REYNOLDS INTERNATIONAL INC</b>				
	At the beginning of the year	325300	4.41	325300	4.41
	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 ( or on the date of separation, if separated during the year)	325300	4.41	325300	4.41
<b>2</b>	<b>MADHUMILAN CREDIT CAPITAL PVT. LTD</b>				
	At the beginning of the year	135100	1.83	135100	1.83
	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 ( or on the date of separation, if separated during the year)	135100	1.83	135100	1.83
<b>3</b>	<b>SUMAN VINOD GOYANKA</b>				
	At the beginning of the year	89244	1.21	89244	1.21
	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 ( or on the date of separation, if separated during the year)	89244	1.21	89244	1.21
<b>4</b>	<b>MAHENDRA GIRDHARILAL</b>				
	At the beginning of the year	63214	0.857	63214	0.857
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Shares Purchased Date No. of Shares 10-04-15 1170 24-04-15 4700 26-06-15 1073 30-06-15 640 10-07-15 429 24-07-15 240 07-08-15 244 14-08-15 6330 28-08-15 2290  Shares Sold Nil	0.015 0.063 0.014 0.008 0.005 0.003 0.003 0.085 0.031	64384 69084 70157 70797 71226 71466 71710 78040 80330	0.872 0.935 0.949 0.96 0.954 0.957 0.96 1.045 1.076
	At the End of the year ( or on the date of separation, if separated during the year)	80330	1.076	80330	1.076

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

SI No.	Particulars of Shareholders  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
<b>5</b>	<b>SUSHIL FINANCIAL SERVICES PVT. LTD (BEN A/C)</b>				
	At the beginning of the year	44740	0.607	44740	0.607
	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 ( or on the date of separation, if separated during the year)	44740	0.607	44740	0.607
<b>6</b>	<b>SUNIL KUMAR GUPTA</b>				
	At the beginning of the year	41545	0.563	41545	0.563
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Shares Purchased Nil			
		Shares Sold			
		24-04-15 -10000	0.135	31545	0.428
		05-06-15 -519	0.007	31026	0.421
		14-08-15 -15315	0.207	15711	0.214
		21-08-15 -5	0	15706	0.214
		28-08-15 -1	0	15705	0.214
		31-03-16 -1	0	15704	0.214
	At the End of the year ( or on the date of separation, if separated during the year)	15704	0.214	15704	0.214
<b>7</b>	<b>DHARMENDRA RATILAL DOSHI</b>				
	At the beginning of the year	40000	0.542	40000	0.542
	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 ( or on the date of separation, if separated during the year)	40000	0.542	40000	0.542
<b>8</b>	<b>NINJA SECURITIES PRIVATE LIMITED</b>				
	At the beginning of the year	36398	0.493	36398	0.493
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Shares Purchased			
		10-04-15 5	0	36403	0.494
		24-04-15 5	0	36408	0.494
		29-05-15 2	0	36410	0.494
		19-06-15 3	0	36413	0.494
		Shares Sold Nil			
	At the End of the year ( or on the date of separation, if separated during the year)	36413	0.494	36413	0.494


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

SI No.	Particulars of Shareholders 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
<b>9</b>	<b>TAPAN MAHARISHI</b>				
	At the beginning of the year	32900	0.51	32900	0.51
	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 ( or on the date of separation, if separated during the year)	32900	0.446	32900	0.446
<b>10</b>	<b>MUKESH N BHAYANI</b>				
	At the beginning of the year	23550	0.319	23550	0.319
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	Shares Purchased Nil Shares Sold -23550			
	At the End of the year ( or on the date of separation, if separated during the year)	0	0	0	0
<b>11</b>	<b>NAYAN STARAM GARODIA</b>				
	At the beginning of the year	23306	0.316	23306	0.316
	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 ( or on the date of separation, if separated during the year)	23306	0.316	23306	0.316

**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. Shyantanu Chokhani, 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.

(₹ In Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4263.15	0	735.22	4998.37
ii) Interest due but not paid	138.02	0	35.10	173.12
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>4401.17</b>	<b>0</b>	<b>793.58</b>	<b>5171.49</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	972.98	0	110.64	1083.62
• Reduction	5.46	0	23.22	28.68
Net Change	967.52	0	87.42	1054.94
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4965.03	0	817.85	5782.88
ii) Interest due but not paid	403.66	0	63.15	466.81
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>5368.69</b>	<b>0</b>	<b>881.00</b>	<b>6249.69</b>

**IX REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER**

SI. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		SUDARSHAN S CHOKHANI (MANAGING DIRECTOR)	MUKESH V ASHAR (WHOLE TIME DIRECTOR & CFO)	
1	Gross salary	37.00	6.618	43.618
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	37.00	6.618	43.618
	(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>37.00</b>	<b>6.618</b>	<b>43.618</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

(₹ In Lacs)

SI. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Manoj Shah (Independent Director)	Mr. Jal Thanawala (Independent Director)	Mr. Shyantanu Chokhani (Non Executive Director)	Ms. Vedika Gupta (Independent Director)	
1.	Independent Directors					
	• Fee for attending board / committee meetings	34,500	34,500	13,500	3,000	85,500
	• Commission	0.00	0.00	-	-	0.00
	• Others, please specify	0.00	0.00	-	-	0.00
	<b>Total (1)</b>	<b>34,500</b>	<b>34,500</b>	<b>13,500</b>	<b>3,000</b>	<b>85,500</b>
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	0.00	0.00	0.00	0.00	0.00
	• Others, please specify	0.00	0.00	0.00	0.00	0.00
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>34,500</b>	<b>34,500</b>	<b>13,500</b>	<b>3,000</b>	<b>85,500</b>
	<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**

(₹ In Lacs)

SI. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Ketan Shirwadkar (Company Secretary) (01/04/2015 to 10/10/2015)	Mr. Saurabh Patkar (Company Secretary) (14/11/2015 to 19/03/2016)	
1	Gross salary	2.156	2.025	4.181
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00	0.00
	b) Value of perquisites u/s 7(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</b>	<b>2.156</b>	<b>2.025</b>	<b>4.181</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 Nashik Highway, Nashik-422 010

**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: 14<sup>th</sup> May, 2016**



## 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**

a)	Stop press v15 HP seal pump & drive seal pump on 200 HP motor second end shaft	To reduce electricity consumption
b)	Installed 100 HP VFD for press 2 second main pump	To reduce electricity consumption
c)	Use of CBFS (Carbon Black Feed Stock) in place of furnace oil	To reduce fuel cost
d)	Use of LNG (Liquified Natural Gas) in place of LPG	To reduce fuel cost
e)	Electrical power purchase through open access	To reduce cost of power per unit
f)	To buy maximum readymade billets of required extrusion alloys from primary producers	To reduce cost of production, energy conservation & recovery.

**(2) Measures taken to Conserve Energy**

a)	Installation of air control valve at air line of billet heating furnace V	To reduce LPG consumption
b)	Installation of ratio control valve to homogenizing furnace	To reduce LPG consumption
c)	Replace billet heater 3 existing 15 HP blower with 7.5 HP blower	To reduce electricity consumption
d)	Installation of 300 HP drive to press 5 second pump and 150 HP drive to press 3 second pump	To reduce electricity consumption

## FORM A

## Disclosure of particulars with respect to conservation of energy

Sr No.	Particulars	Current Year 2015-16	Previous Year 2013-14
<b>A</b>	<b>Power and Fuel Consumption</b>		
	1. Electricity		
	A) Purchased (Units)	28,73,660	31,70,512
	(Total Amount ₹)	2,38,18,640	2,51,57,874
	(Average rate/Unit-₹)	8.29	7.93
	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	3,37,930	3,61,360
	(Total Amount ₹)	1,34,69,176	2,13,51,150
	Cost per Kg	39.86	59.09
	3. Coal (Specify Quantity & where used)		
	Qty (Tons)	--	--
	(Total cost ₹)	--	--
	(Average Rate/Ton- ₹)	--	--
	4. Furnace Oil		
	(Quantity-Kg)	5,19,262	5,56,120
	Total Amount-₹)	1,19,89,198	2,01,49,215
	(Average rate/Kg-₹)	23.09	37.23
	5. Other (Internal Generation)		
	(Quantity)	--	--
	(Total Cost)	--	--
	(Average cost/Unit-₹)	--	--
<b>B</b>	<b>Consumption per ton of production</b>		
	- Electricity		
	- Furnace Oil (Units)	671.60	759.97
	Aluminium Billets (For casting) (Kgs)	98.29	107.64
	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	<p style="text-align: right;">(₹ in Lacs)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Capital</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Recurring</td> <td style="text-align: right;">16.67</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>16.67</u></td> </tr> </table> <p>Total R &amp; D expenditure as a Percentage of Turnover 0.23% (Approx.)</p>	Capital	-	Recurring	16.67	Total	<u>16.67</u>
Capital	-						
Recurring	16.67						
Total	<u>16.67</u>						

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

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

**Registered Office**

A - 5, MIDC, Ambad Industrial Area,  
Mumbai Nashik Highway, Nashik-422 010

**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: 14<sup>th</sup> May, 2016**

# Management and Discussion Analysis

## **Preface and Prospects:**

The most commercially mined aluminium ore is bauxite, as it has the highest content of the base metal. The primary aluminium production process consists of three stages. First is mining of bauxite, followed by refining of bauxite to alumina and finally smelting of alumina to aluminium. India has the fifth largest bauxite reserves with deposits of about 3 bn tonnes or 5% of world deposits. India's share in world aluminium capacity rests at about 3%. Production of 1 tonne of aluminium requires 2 tonnes of alumina while production of 1 tonne of alumina requires 2 to 3 tonnes of bauxite.

The aluminium production process can be categorized into upstream and downstream activities. The upstream process involves mining and refining while the downstream process involves smelting and casting & fabricating. Downstream-fabricated products consist of rods, sheets, extrusions and foils.

## **The Economy:**

World aluminum production is at around 55 million tons, expected to grow at around 6.7% CAGR up to 2020, mainly due to the expected growth in India ~ 11%, China ~ 10%, Middle East ~ 8%, Brazil ~ 7%, Africa ~ 5% and return of growth in US (~ 4%).

World alumina production is around 110 million tonnes and the bauxite mined is around 350 million tons

Presently, China, with aluminium metal production of 30 million tons per annum, is the leader despite less resource of good grade bauxite in the country. China's CAGR during the period 2000 – 2010 was 18%, when its GDP increase was from 5% to almost 14%.

The indecisiveness and policy issues on part of the concerned authorities had made India practically hand over the possible leadership position to China, in-spite of all required resources like bauxite, coal, manpower, money, market etc. available abundantly in this country.

India has reported a trade deficit of US \$ 45 billion for the quarter April-July, 2015. Investments in the Aluminium Industry in India can prove important for the development of the Indian economy in terms of foreign exchange earnings as only mineral based industry, next to agriculture can employ the rural masses in a prominent way and at the same time help bridge the gap of foreign exchange earnings as the required major resource like bauxite, coal etc. are abundantly available in the country.

Unless the authorities take industry positive steps to give a boost to industry the country may miss the growth opportunities. It should be noted that there are several other low cost countries which are holding reserves of good quality bauxite and also have low cost energy generating possibilities. This will be tremendous loss as the industry contributes extensively in terms of employments, investments & foreign exchange.

Considering the potential and our capability, if the governments (both central and state) can clear all the pending projects and enhance the installed capacity of the aluminium metal to twice the existing capacity both for alumina and aluminium, it would be possible in the next 5 to 7 years or so, to easily achieve the targets.

India in general, and the eastern states of Andhra Pradesh and Odisha in particular, hold vast potential for development of alumina and aluminium industry because of the availability of rich bauxite deposits (> 75%) & coal (> 33%), the main inputs for aluminium industry. This will bring good development in the most under developed region of the country by turning mineral and metal potential of the eastern states.

Competition is primarily on quality and price, as being a commodity, differentiation is difficult. However, the consolidation has reduced the competitive pressure in the industry. Further, increasing value addition to aluminium products has helped some companies protect themselves from the high volatilities witnessed in this industry.



The commodity markets, and in particular the aluminium industry, are going through a challenging phase at present because of the sharp slide in realizations. Further realisations have declined sharply in recent months due to excess supplies. This scenario may continue for a while and hence over short term realisation may remain under pressure.

**The Product:**

The Company produces varied products ranging from Auto Components, Architectural, Construction, Conveyer Section, Ladder Section, Pneumatic, Structural, Transport, Heat Sink, Power transmission equipments. Despite adverse operational conditions prevailing in the country, we have barely managed to sustain in the economy. The overall capacity utilization of the Industry in the Country is marginally lower than the previous year. This is due to the sluggish demand from Electrical Equipment Manufacturing Sector which did not have adequate orders from Electric-Power Sector and infrastructural projects. Both Industrial & economic structure of the Industry remains affected due to high Cost of input, inflation, substantial volatility in Forex.

**Opportunities and Threats:**

Increasing global and indigenous demand of aluminium product segments is certainly a good growth indicator for Company but ever volatility in the price of principal raw materials is a worry in the future to come.

**Human Resources / Industrial Relations:**

Industrial relations during the year were generally satisfactory.

**Initiatives:**

Our main focus is on delivering utmost quality products to our diversified clientele; further to bring down our cost of production we are focusing mainly on capacity utilization so as to bring more economies of scale.

To make the concept of "Make in India" a real success, competitiveness would be a key measure. This can be achieved only when we can provide the complete value chain of products and make ourselves competitive by developing manufacturing hubs for production of value added components / products in Aluminium like China, which would then, not only reduce import dependence but also offer export competitively to other markets in the World.

**Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the company objectives, estimates and expectations may be Forward Looking statements within the meaning of applicable laws and regulations. Actual performance may differ substantially or materially from those expressed or implied

# Independent Auditors' Report

To The Members of  
Sudal Industries Limited

## **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Sudal Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.



### Emphasis of Matter:

Without qualifying, we draw attention to Note No. 29 regarding inventory of "Stores & Spares" includes specialized Dies of ₹ 285,799,500 as at 31 March, 2016 (Previous year ₹ 269,910,000). The Valuation of these dies is based on a report of the Registered Government Valuer and Chartered Engineer considering its residual useful life, and relied upon by us, being a technical matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. In terms of section of 143(3) of the Act with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give in "Annexure B" - a separate Report on the same.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

For **LODHA & CO.**  
Chartered Accountants  
Firm Registration Number :301051E

**R.P. Baradiya**  
Partner  
Membership No. 44101

**Place : Mumbai**  
**Date : 14<sup>th</sup> May, 2016**

# Annexure to the Independent Auditors' Report

## **ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE SUDAL INDUSTRIES LIMITED.**

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

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) All the fixed assets have been physically verified by the management in a phased manner which is reasonable considering the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.  
c) The title deeds of immovable properties are held in the name of the Company.
2. The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit have been verified by the management with reference to the confirmations received from them and/or subsequent receipt of goods. No material discrepancies were noticed on such verification.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, Para 3 (iii) of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has not granted any loans or made investments or provided any guarantees or security under section 185 and 186 of the Act. Therefore, Para 3 (iii) of the Order is not applicable to the Company.
5. No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company. Therefore, Para 3 (v) of the Order is not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the order of the Central Government under sub section (1) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
7. a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.  
b) According to the records of the Company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute except income tax demand for Assessment Year 2013-14 amounting to ₹ 24,728,640 and the matter is pending before Commissioner of Income-tax (Appeals), Mumbai.
8. According to the information and explanations given to us, the Company has defaulted in repayment of principal amount of ₹ 111,341,258 and interest amount of ₹ 60,840,951 from period September 2014 to March 2016 to syndicate bank.
9. During the year, the Company has not raised any money by way of initial public offer or further public offer during the year or in the recent past and has not taken any term loan and hence the provisions of Para 3 (ix) of the Order is not applicable.



10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion, the Company is not Nidhi Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements (Refer Note No.38) as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him in terms of Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **LODHA & CO.**  
Chartered Accountants  
Firm Registration Number :301051E

**R.P. Baradiya**  
Partner  
Membership No. 44101

**Place : Mumbai**  
**Date : 14<sup>th</sup> May, 2016**

**ANNEXURE B REFERRED TO IN PARAGRAPH 2 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE SUDAL INDUSTRIES LIMITED.****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Sudal Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India except internal audit system which needs to be strengthened in terms of scope and extent of verification.

For **LODHA & CO.**  
Chartered Accountants  
Firm Registration Number :301051E

**R.P. Baradiya**  
Partner  
Membership No. 44101

**Place : Mumbai**  
**Date : 14<sup>th</sup> May, 2016**

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016**

(Amount in ₹)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds:</b>					
(a) Share capital	1	73,678,180		73,678,180	
(b) Reserves and surplus	2	39,890,114		108,317,225	
			<b>113,568,294</b>		181,995,405
<b>(2) Non-current liabilities:</b>					
(a) Long-term borrowings	3	166,020,279		207,832,146	
(b) Deferred tax liabilities (net)	4	-		46,984,656	
(c) Other Long-term liabilities	5	55,278,285		37,444,635	
(d) Long-term provisions	6	12,363,550		14,596,463	
			<b>233,662,114</b>		306,857,900
<b>(3) Current liabilities:</b>					
(a) Short-term borrowings	7	283,373,747		259,979,581	
(b) Trade payables	8				
Total outstanding dues of micro enterprises and small enterprises		-		-	
Total outstanding dues of creditors other than micro enterprises and small enterprises		54,816,770		52,856,569	
(c) Other current liabilities	9	130,110,367		72,971,472	
(d) Short-term provisions	10	4,991,448		9,161,579	
			<b>473,292,332</b>		394,969,201
<b>Total</b>			<b>820,522,740</b>		883,822,506
<b>II. ASSETS</b>					
<b>(1) Non-current assets:</b>					
(a) Fixed Assets	11				
(i) Tangible assets		264,045,134		274,990,062	
(ii) Intangible assets		-		314,303	
(iii) Capital work-in-progress		23,336,131		23,640,629	
(b) Non-current investments	12	7,500		7,500	
(c) Deferred tax assets (net)	4	16,786,475		-	
(d) Long-term loans and advances	13	13,583,851		19,144,319	
			<b>317,759,091</b>		318,096,813
<b>(2) Current assets:</b>					
(a) Inventories	14	349,882,199		369,475,412	
(b) Trade Receivables	15	91,124,975		100,953,631	
(c) Cash and cash equivalents	16	18,201,929		17,206,763	
(d) Short-term loans and advances	17	18,610,352		20,493,282	
(e) Other current assets	18	24,944,194		57,596,605	
			<b>502,763,649</b>		565,725,693
<b>Total</b>			<b>820,522,740</b>		883,822,506
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	A,B (1 to 39)				

As per our attached report of even date

For and on behalf of the Board of Directors

For **Lodha & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 301051E

**Sudarshan S Chokhani**  
Managing Director

**R.P. Baradiya**  
Partner  
Membership No.44101  
**Mumbai : 14<sup>th</sup> May,2016**

**Pooja Bangera**  
Company Secretary

**Mukesh V Ashar**  
CFO and Director

**Mumbai : 14<sup>th</sup> May,2016**



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Amount in ₹)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>I Revenue from operations (Gross)</b>	<b>19</b>	<b>781,197,526</b>		906,195,027	
Less: Excise Duty		<b>84,143,845</b>		98,655,851	
Revenue from operations (Net)			<b>697,053,681</b>		807,539,176
<b>II Other income</b>	<b>20</b>		<b>157,371</b>		14,744
<b>III Total Revenue (I+II)</b>			<b>697,211,052</b>		807,553,920
<b>IV Expenses:</b>					
Cost of materials consumed	<b>21</b>	<b>556,631,201</b>		636,195,156	
Changes in Inventories of Finished Goods, Work in Progress and stock-in-trade	<b>22</b>	<b>13,766,454</b>		(1,082,911)	
Employee benefits expense	<b>23</b>	<b>34,833,505</b>		37,862,874	
Finance costs	<b>24</b>	<b>117,703,732</b>		102,389,253	
Depreciation and amortization expense	<b>11</b>	<b>12,195,052</b>		14,269,123	
Other expenses	<b>25</b>	<b>88,971,035</b>		101,442,471	
<b>Total Expenses</b>			<b>824,100,979</b>		891,075,966
<b>V Profit before tax (III-IV)</b>			<b>(126,889,927)</b>		(83,522,046)
<b>VI Tax Expense:</b>					
Current tax			-		-
Deferred tax			<b>(63,771,131)</b>		297,291
<b>VII Profit for the year (V -VI)</b>			<b>(63,118,796)</b>		(83,819,337)
<b>VIII Earnings per equity share of face value of ₹10 each:</b>					
Basic			<b>(8.57)</b>		(11.87)
Diluted			<b>(8.57)</b>		(11.87)
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>A,B (1 to 39)</b>				

As per our attached report of even date

For **Lodha & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 301051E

**R.P. Baradiya**  
Partner  
Membership No.44101  
Mumbai : 14<sup>th</sup> May,2016

For and on behalf of the Board of Directors

**Sudarshan S Chokhani**  
Managing Director

**Pooja Bangera**  
Company Secretary

**Mukesh V Ashar**  
CFO and Director

Mumbai : 14<sup>th</sup> May,2016

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit before exceptional items and tax</b>		<b>(126,889,927)</b>		(83,522,046)
Adjusted for:				
Depreciation	<b>12,195,052</b>		14,269,123	
Interest Expenditure	<b>117,703,732</b>		102,389,253	
(Profit)/Loss on Sale of Fixed Assets	<b>38,762</b>	<b>129,937,546</b>	(14,744)	116,643,632
<b>Operating profit before working capital changes</b>		<b>3,047,619</b>		33,121,586
<b>Adjustments for:</b>				
Trade and Other Receivables	<b>9,828,656</b>		84,459,300	
Trade Payables including Advance received from customers	<b>10,545,099</b>		(93,348,275)	
Loans & Advances	<b>30,879,603</b>		(3,062,741)	
Inventories	<b>19,593,213</b>		(119,806,661)	
<b>Cash generated from operations</b>		<b>70,846,571</b>		(131,758,377)
Direct Taxes Paid (Net)		<b>73,894,190</b>		(98,636,791)
		<b>(2,500,000)</b>		(1,221,832)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>71,394,190</b>		(99,858,623)
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets including CWIP & Pre-operative Expenses		<b>(693,196)</b>		(5,318,232)
Investments made		-		(3,000)
Sale of Fixed Assets		<b>23,111</b>		111,445
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(670,085)</b>		(5,209,787)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from issue of share capital		-		12,255,000
Borrowings Increase/ (Decrease) [Net]		<b>48,171,214</b>		212,225,205
Interest Paid		<b>(117,891,343)</b>		(103,646,566)
Dividend Paid (includes tax on dividend)		<b>(4,405)</b>		-
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(69,724,534)</b>		120,833,639
<b>NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>999,571</b>		15,765,229
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>		<b>16,162,824</b>		397,595
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		<b>17,162,395</b>		16,162,824

**Notes:**

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- Cash and cash equivalents represent cash and bank balances, excludes fixed deposit and dividend account (Refer Note 16).
- Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

**As per our attached report of even date**

For **Lodha & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 301051E

**R.P. Baradiya**  
Partner  
Membership No.44101  
**Mumbai : 14<sup>th</sup> May,2016**

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

**Sudarshan S Chokhani**  
Managing Director

**Pooja Bangera**  
Company Secretary

**Mukesh V Ashar**  
CFO and Director

**Mumbai : 14<sup>th</sup> May,2016**



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

### **OVERVIEW:**

Incorporated in the state of Maharashtra in 1979, the Company was originally named Sudarshan Aluminium Industries Limited. In April, 1994, the name of the company was changed to Sudal Industries Limited.

The Company is in the business of manufacturing of Aluminium Extrusions, Aluminium Alloys, Down Stream Products.

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. GENERAL:**

- (a) The financial statements are prepared on the basis of historical cost convention, and on the accounting principles of a going concern.
- (b) Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable.
- (c) All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

#### **2. USE OF ESTIMATES:**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively.

#### **3. FIXED ASSETS:**

- (a) Leasehold Land, Buildings, Plant and Machinery and Electrical Installations are stated at revalued amounts less depreciation.
- (b) Other Assets are stated at cost less depreciation.
- (c) The Company capitalizes intangible asset where it is reasonably estimated that the asset has an enduring useful life.

#### **4. IMPAIRMENT OF ASSETS**

In accordance with AS-28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the Profit and Loss Account.

#### **5. INVESTMENTS:**

Long term investments are stated at cost.

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

### **6. VALUATION OF INVENTORIES:**

- (a) Inventories are valued at the lower of the cost and net realizable value. Cost is assigned on FIFO basis. Obsolete, defective and unserviceable stocks are provided for.
- (b) Finished goods and work-in-process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition excluding aluminium scrap which is valued at estimated cost.
- (c) Dies being a specialised item (included in stores & spares inventories) are valued on the basis of valuation of such stocks at the year end carried out by a government approved valuer considering its residual useful life and replacement value.

### **7. DEPRECIATION/ AMORTIZATION:**

- (a) Value of Leasehold Land is amortized over the period of lease.
- (b) On vehicles, Furniture & Fixtures and Office Equipments, depreciation is provided on written down value method as per the life specified in Schedule II to Companies Act, 2013.
- (c) On Buildings, depreciation is provided on straight line method at the useful life specified in Schedule II to the Companies Act, 2013
- (d) On plant and equipment, the depreciation is provided as per the life specified for continuous Industrial unit in Schedule II to Companies Act, 2013.
- (e) In respect of addition made by way of revaluation to certain fixed assets, the depreciation is provided on the basis of future estimated life to these assets.
- (f) Intangible assets are amortized over their useful life.

### **8. ACCOUNTING FOR TAXES ON INCOME:**

- (a) Provision for Income Tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.
- (b) Deferred tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to reverse. Deferred tax assets are recognised and carried forward only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Credit Entitlement in respect of Minimum Alternate Tax (MAT) is considered on management estimation of regular taxation in future.

### **9. SALES AND OTHER OPERATING INCOME:**

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers. Sales are inclusive of packing charges recovered. Conversion job income is accounted for on the completion of the job.



## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

### **10. TRANSLATION OF FOREIGN CURRENCY:**

- (a) Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.
- (b) Foreign currency assets and liabilities except those for acquisition of fixed assets as at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet and resultant gains/ losses are recognised in the Statement Profit and Loss.
- (c) Foreign currency liability relating to acquisition of fixed assets is stated at the prevailing rate of exchange at the year end and the resultant gains/ losses are adjusted to the cost of assets.

### **11. EMPLOYEE BENEFITS:**

Contributions towards provident fund are made under defined contribution retirement benefit plans for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The contributions are charged to Statement of Profit and Loss in the respective year.

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation which is not funded and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation made at the end of each financial year.

Actuarial gains / losses are immediately taken to Statement of profit and loss and are not deferred.

### **12. BORROWING COSTS:**

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

### **13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that made, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow resources is remote, no provision or disclosure is made.

### **14. GOVERNMENT GRANTS**

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

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### B. NOTES ON ACCOUNTS :

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015		
<b>NOTE : 1</b>					
<b>SHARE CAPITAL</b>					
<b>Authorised:</b>					
7,500,000 Equity Shares of ₹ 10 each	<b>75,000,000</b>		75,000,000		
<b>Issued:</b>					
7,470,012 (Previous Year 7,470,012) Equity Shares of ₹ 10 each	<b>74,700,120</b>		74,700,120		
<b>Subscribed and paid-up:</b>					
7,367,818 (Previous Year 7,367,818) Equity Shares of ₹ 10 each, fully paid up	<b>73,678,180</b>		73,678,180		
<b>Total</b>	<b>73,678,180</b>		73,678,180		
Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015		
	No. of Shares	% held	No. of Shares	% held	
<b>a) Details of shareholding more than 5%:</b>					
1 Sudarshan Shriram Chokhani	<b>1,523,087</b>	<b>20.67</b>	1,523,087	20.67	
2 Shyantanu Sudarshan Chokhani	<b>1,218,200</b>	<b>16.53</b>	1,218,200	16.53	
3 Renu Sudarshan Chokhani	<b>1,100,725</b>	<b>14.94</b>	1,100,725	14.94	
4 Sudal Enterprises Private Limited	<b>790,488</b>	<b>10.73</b>	790,488	10.73	
<b>b) Terms/rights attached to equity shares :</b>					
i) The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.					
ii) The Company has not issued any aggregate number and class of shares as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.					
iii) In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exist currently.					
<b>c) The reconciliation of the number of shares outstanding at beginning of the year and at the end for the period of five years immediately preceding the Balance Sheet date :</b>					
Particulars	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
<b>Balance as at the beginning of the year</b>	<b>7,367,818</b>	6,507,818	6,507,818	5,817,818	5,467,818
i) Shares issued pursuant to a contract without payment being received in cash	-	-	-	-	-
ii) Shares issued as fully paid up bonus shares	-	-	-	-	-
iii) Allotment on conversion of Optionally Fully Convertible Warrants	-	860,000	-	690,000	350,000
iv) Shares bought back	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>7,367,818</b>	7,367,818	6,507,818	6,507,818	5,817,818



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015	
<b>NOTE : 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Revaluation Reserve:</b>				
Balance as at the beginning of the year	<b>27,477,106</b>		60,742,981	
Less: Transferred to Deficit in respect of Transitional depreciation	-		(33,265,875)	
Balance as at the end of the year		<b>27,477,106</b>		27,477,106
<b>Capital Reserve:</b>				
Balance as at the beginning of the year	<b>50,793,458</b>		42,257,274	
Add: State government subsidy for expansion of capacity - Octroi Duty refunded/ refundable	<b>6,318,685</b>		8,536,184	
Less: State government subsidy for expansion of capacity - Octroi Duty no longer refundable - reversed	<b>(11,627,000)</b>		-	
(Refer: Significant Accounting Policies No.14)		<b>45,485,143</b>		50,793,458
<b>Securities Premium Account:</b>				
Balance as at the beginning of the year	<b>32,500,000</b>		24,760,000	
Add: Received during the year	-		7,740,000	
Balance as at the end of the year		<b>32,500,000</b>		32,500,000
<b>Profit and Loss:</b>				
Balance as at the beginning of the year	<b>(2,453,339)</b>		81,891,225	
Add: Profit/ (Loss) during the year	<b>(63,118,796)</b>		(83,819,337)	
	<b>(65,572,135)</b>		(1,928,112)	
Add: Depreciation charge due to change in useful life	-		(33,791,102)	
Add : Transfer from Revaluation Reserve	-		33,265,875	
Balance as at the end of the year		<b>(65,572,135)</b>		(2,453,339)
<b>Total</b>		<b>39,890,114</b>		108,317,225

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>st</sup> MARCH, 2016**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015	
<b>NOTE : 3</b>				
<b>LONG-TERM BORROWINGS</b>				
<b>Term Loans:</b>				
<b>Secured:</b>				
From Bank				
Working Capital Term Loan	72,916,667		114,583,333	
From Financial Institution:				
Working Capital Term Loan	92,210,133		92,210,133	
From Others:				
Vehicle Loans	893,479		716,148	
		166,020,279		207,509,614
<b>Unsecured:</b>				
Intercorporate Deposits	-		322,532	
		-		322,532
<b>Total</b>		<b>166,020,279</b>		<b>207,832,146</b>
(For terms and conditions - Refer Note No.27)				
<b>NOTE : 4</b>				
<b>DEFERRED TAX LIABILITIES (Net)</b>				
<b>Deferred Tax Liabilities:</b>				
Depreciation	58,087,460		51,715,879	
Total Deferred Tax Liabilities		58,087,460		51,715,879
<b>Deferred Tax Assets:</b>				
Unabsorbed business losses	69,085,659		-	
Gratuity	4,197,280		3,784,709	
Others	1,590,996		946,514	
Total Deferred Tax Assets		74,873,935		4,731,223
<b>Net Deferred Tax (Assets)/Liability</b>		<b>(16,786,475)</b>		<b>46,984,656</b>
<b>NOTE : 5</b>				
<b>OTHER LONG-TERM LIABILITIES</b>				
Suppliers credit from Associates		55,278,285		37,444,635
<b>Total</b>		<b>55,278,285</b>		<b>37,444,635</b>
<b>NOTE : 6</b>				
<b>LONG-TERM PROVISIONS</b>				
Gratuity Payable	9,587,316		11,446,000	
Leave Entitlement	2,776,234		3,150,463	
		12,363,550		14,596,463
<b>Total</b>		<b>12,363,550</b>		<b>14,596,463</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015	
<b>NOTE : 7</b>				
<b>SHORT-TERM BORROWINGS</b>				
<b>Secured:</b>				
From Banks				
Working Capital Limits		<b>195,273,347</b>		180,942,853
<b>Unsecured:</b>				
Inter Corporate Deposits		<b>88,100,400</b>		79,036,728
<b>Total</b>		<b>283,373,747</b>		259,979,581
(For terms and conditions - Refer Note No.27)				
<b>NOTE : 8</b>				
<b>TRADE PAYABLES</b>				
Micro, Small and Medium Enterprises (Refer note no.35)	-		-	
Acceptances	<b>50,354,835</b>		-	
Others	<b>4,461,935</b>		52,856,569	
<b>Total</b>		<b>54,816,770</b>		52,856,569
		<b>54,816,770</b>		52,856,569
<b>NOTE : 9</b>				
<b>OTHER CURRENT LIABILITIES</b>				
<b>Current maturities of Long-Term debts</b>				
a) Term Loan from Banks	<b>32,544,943</b>		28,307,643	
b) Working capital term loan from bank	<b>86,030,586</b>		22,032,409	
c) Vehicle Loans	<b>598,548</b>		1,320,850	
d) Inter corporate Deposits	<b>66,058</b>		990,318	
		<b>119,240,135</b>		52,651,220
Interest accrued but not due		<b>757,744</b>		1,068,144
Unpaid Dividends#		<b>1,038,534</b>		1,042,939
Statutory dues		<b>2,822,583</b>		8,647,024
Employee Benefits Expenses		<b>3,651,327</b>		6,584,875
Others		<b>2,600,044</b>		2,977,270
<b>Total</b>		<b>130,110,367</b>		72,971,472
# No amount is due to be credited to investor education & protection fund.				
<b>NOTE : 10</b>				
<b>SHORT TERM PROVISIONS</b>				
Gratuity Payable	<b>3,996,114</b>		2,243,978	
Leave Entitlement	<b>995,334</b>		628,096	
<b>Others:</b>		<b>4,991,448</b>		2,872,074
Provision for income tax net of advance tax of ₹ Nil, (Previous Year ₹ 8,310,627)		-		6,289,505
<b>Total</b>		<b>4,991,448</b>		9,161,579

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### NOTE : 11 FIXED ASSETS

(Amount in ₹)

Description	Gross Block				Depreciation / Amortisation					Net Block	
	Balance As at 1 <sup>st</sup> April, 2015	Additions	Deductions/ Adjustments	Balance As at 31 <sup>st</sup> March, 2016	Balance As at 1 <sup>st</sup> April, 2015	Adjustments on account of change in law	For the year	Deductions/ Adjustments	Balance As at 31 <sup>st</sup> March, 2016	Balance As at 31 <sup>st</sup> March, 2016	Balance As at 31 <sup>st</sup> March, 2015
<b>(a) Tangible Assets</b>											
Leasehold Land	36,538,822	-	-	36,538,822	3,418,294	-	444,204	-	3,862,498	32,676,324	33,120,528
Freehold land	3,870,565	-	-	3,870,565	-	-	-	-	-	3,870,565	3,870,565
Buildings	107,647,669	-	-	107,647,669	24,401,314	-	3,214,042	-	27,615,356	80,032,313	83,246,355
Plant and equipment	512,509,347	-	-	512,509,347	362,210,679	-	6,786,296	-	368,996,975	143,512,372	150,298,668
Furniture and Fixtures	3,122,376	-	-	3,122,376	2,624,841	-	125,561	-	2,750,402	371,974	497,535
Vehicles*	10,724,435	997,694	929,847	10,792,282	7,538,671	-	1,022,915	867,974	7,693,612	3,098,670	3,185,764
Office Equipment	13,064,218	-	-	13,064,218	12,293,571	-	287,731	-	12,581,302	482,916	770,647
<b>Total (a)</b>	<b>687,477,432</b>	<b>997,694</b>	<b>929,847</b>	<b>687,545,279</b>	<b>412,487,370</b>	<b>-</b>	<b>11,880,749</b>	<b>867,974</b>	<b>423,500,145</b>	<b>264,045,134</b>	<b>274,990,062</b>
<b>(b) Intangible Assets</b>											
Software	3,478,343	-	-	3,478,343	3,164,040	-	314,303	-	3,478,343	-	314,303
<b>Total (b)</b>	<b>3,478,343</b>	<b>-</b>	<b>-</b>	<b>3,478,343</b>	<b>3,164,040</b>	<b>-</b>	<b>314,303</b>	<b>-</b>	<b>3,478,343</b>	<b>-</b>	<b>314,303</b>
<b>Total (a+b)</b>	<b>690,955,775</b>	<b>997,694</b>	<b>929,847</b>	<b>691,023,622</b>	<b>415,651,410</b>	<b>-</b>	<b>12,195,052</b>	<b>867,974</b>	<b>426,978,488</b>	<b>264,045,134</b>	<b>275,304,365</b>

Description	Gross Block				Depreciation / Amortisation					Net Block	
	Balance As at 1 <sup>st</sup> April, 2014	Additions	Deductions/ Adjustments	Balance As at 31 <sup>st</sup> March, 2015	Balance As at 1 <sup>st</sup> April, 2014	Adjustments on account of change in law	For the year	Deductions/ Adjustments	Balance As at 31 <sup>st</sup> March, 2015	Balance As at 31 <sup>st</sup> March, 2015	Balance As at 31 <sup>st</sup> March, 2014
<b>(a) Tangible Assets</b>											
Leasehold Land	36,538,822	-	-	36,538,822	2,974,090	-	444,204	-	3,418,294	33,120,528	33,564,732
Freehold land	3,725,565	145,000	-	3,870,565	-	-	-	-	3,870,565	3,725,565	3,725,565
Buildings	107,071,165	576,504	-	107,647,669	21,196,078	-	3,205,236	-	24,401,314	83,246,355	85,875,087
Plant and equipment	512,509,347	-	-	512,509,347	322,178,518	33,274,111	6,758,050	-	362,210,679	150,298,668	190,330,829
Furniture and Fixtures	3,122,376	-	-	3,122,376	2,435,537	12,031	177,273	-	2,624,841	497,535	686,839
Vehicles	9,567,324	1,472,682	315,571	10,724,435	6,439,902	33,946	1,283,693	218,870	7,538,671	3,185,764	3,127,422
Office Equipment	12,767,318	296,900	-	13,064,218	10,359,791	471,014	1,462,766	-	12,293,571	770,647	2,407,527
<b>Total (a)</b>	<b>685,301,917</b>	<b>2,491,086</b>	<b>315,571</b>	<b>687,477,432</b>	<b>365,583,916</b>	<b>33,791,102</b>	<b>13,331,222</b>	<b>218,870</b>	<b>412,487,370</b>	<b>274,990,062</b>	<b>319,718,001</b>
<b>(b) Intangible Assets</b>											
Software	3,478,343	-	-	3,478,343	2,226,139	-	937,901	-	3,164,040	314,303	1,252,204
<b>Total (b)</b>	<b>3,478,343</b>	<b>-</b>	<b>-</b>	<b>3,478,343</b>	<b>2,226,139</b>	<b>-</b>	<b>937,901</b>	<b>-</b>	<b>3,164,040</b>	<b>314,303</b>	<b>1,252,204</b>
<b>Total (a+b)</b>	<b>688,780,260</b>	<b>2,491,086</b>	<b>315,571</b>	<b>690,955,775</b>	<b>367,810,055</b>	<b>33,791,102</b>	<b>14,269,123</b>	<b>218,870</b>	<b>415,651,410</b>	<b>275,304,365</b>	<b>320,970,205</b>

\* Note : Gross Block of Vehicles include, Gross Block ₹ 1,05,56,282 [ previous year ₹1,01,72,046]; Accumulated depreciation ₹74,67,573 [ Previous year ₹69,96,032] ; Net Block ₹30,88,709 [ Previous year ₹31,76,014] purchased on hire purchase basis. These vehicles are held in the name of the directors/ employees on behalf of the Company.

(Amount in ₹)

	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Capital Work in Progress :</b>		
<b>Assets under installation/ construction</b>		
Mega Project- Land development and other expenses:		
-Legal & Professional Charges	6,138,236	6,138,236
-Salaries & Remuneration	9,984,306	9,984,306
-Travelling Expenses	3,852,875	3,852,875
-Others	3,360,714	3,665,212
<b>Total</b>	<b>23,336,131</b>	<b>23,640,629</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015	
<b>NOTE : 12</b>				
<b>NON CURRENT INVESTMENTS</b>				
Equity Instruments (Long term Unquoted and valued at cost)				
100 Shares of The Jankalyan Sahakari Bank Limited @ ₹ 10 each		1,000		1,000
400 Shares of Nashik Merchants Co.op.Bank Limited @ ₹ 10 each		4,000		4,000
250 Shares of The Kalyan Janata Sahakari Bank Limited @ ₹ 10 each		2,500		2,500
Aggregate cost of Unquoted Investments				
<b>Total</b>		<b>7,500</b>		<b>7,500</b>
<b>NOTE : 13</b>				
<b>LONG TERM LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
Capital advance		-		1,354,654
Advance income tax net of provision for income tax of ₹ 10,760,737,( Previous Year Nil)		431,504		-
MAT credit entitlement		11,641,383		15,980,779
Deposit with Government/Semi-Government Authorities		218,910		238,910
Advances to staff		933,987		1,211,909
Other deposits		358,067		358,067
<b>Total</b>		<b>13,583,851</b>		<b>19,144,319</b>
<b>NOTE : 14</b>				
<b>INVENTORIES</b>				
<b>(As taken, valued and certified by the Management)</b>				
Raw Materials		4,346,855		24,957,800
Work-in-process		44,499,775		60,857,787
Finished goods		6,113,955		3,200,798
Stores and spares		294,921,614		280,459,027
<b>Total</b>		<b>349,882,199</b>		<b>369,475,412</b>
<b>NOTE : 15</b>				
<b>TRADE RECEIVABLES</b>				
<b>Unsecured, considered good</b>				
Outstanding for a period exceeding six months from the due date		2,325,921		8,479,085
Others		88,799,054		92,474,546
<b>Total</b>		<b>91,124,975</b>		<b>100,953,631</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>st</sup> MARCH, 2016**

(Amount in ₹)

Particulars	As at 31 <sup>st</sup> MARCH, 2016		As at 31 <sup>st</sup> March, 2015	
<b>NOTE : 16</b>				
<b>CASH AND CASH EQUIVALENTS</b>				
<b>Balances with Banks:</b>				
In Current Accounts	17,149,731		16,114,310	
<b>Cash on hand</b>	12,664		48,514	
		<b>17,162,395</b>		16,162,824
<b>Others:</b>				
Unpaid Dividend Accounts	1,038,534		1,042,939	
Fixed Deposits(Lodged with Central Excise Dept., Nashik)	1,000		1,000	
		<b>1,039,534</b>		1,043,939
<b>Total</b>		<b>18,201,929</b>		17,206,763
<b>NOTE : 17</b>				
<b>SHORT-TERM LOANS AND ADVANCES</b>				
<b>Unsecured, considered good</b>				
Deposits for premises to associates		17,802,100		17,802,100
Others		808,252		2,691,182
<b>Total</b>		<b>18,610,352</b>		20,493,282
<b>NOTE : 18</b>				
<b>OTHER CURRENT ASSETS</b>				
VAT Receivable		12,195,179		29,964,726
Octroi Duty Receivable		12,134,869		27,539,458
Others		614,146		92,421
<b>Total</b>		<b>24,944,194</b>		57,596,605
Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>NOTE : 19</b>				
<b>REVENUE FROM OPERATIONS</b>				
<b>Sale of Products</b>				
Aluminium Extrusion	743,237,030		845,502,554	
Aluminium Alloys	12,228,232		12,964,304	
Less: Excise Duty	83,361,452		97,885,523	
		<b>672,103,810</b>		760,581,335
<b>Sales of traded goods ( Aluminium Extrusions)</b>	-		37,251,217	37,251,217
<b>Sale of Services</b>	18,587,651		3,474,197	3,474,197
<b>Other Operating Income</b>		<b>18,587,651</b>		
Sale of Scrap	7,144,613		7,002,755	
Less: Excise Duty	782,393		770,328	
		<b>6,362,220</b>		6,232,427
<b>Total</b>		<b>697,053,681</b>		807,539,176

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>NOTE : 20</b>				
<b>OTHER INCOME</b>				
Profit on disposal of fixed assets		498		14,744
Others		156,873		-
<b>Total</b>		<b>157,371</b>		<b>14,744</b>
<b>NOTE : 21</b>				
<b>COST OF MATERIALS CONSUMED</b>				
Consumption of raw materials and components		547,015,887		589,548,528
Purchases of Stock-in-trade		-		37,242,077
Stores and spare parts consumed		9,615,314		9,404,551
<b>Total</b>		<b>556,631,201</b>		<b>636,195,156</b>
<b>NOTE : 22</b>				
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>				
<b>Opening Stock</b>				
Finished goods	3,200,798		6,150,970	
Work-in-process	60,857,787		56,883,081	
		<b>64,058,585</b>		<b>63,034,051</b>
<b>Closing Stock</b>				
Finished goods	6,113,955		3,200,798	
Work-in-process	44,499,775		60,857,787	
		<b>50,613,730</b>		<b>64,058,585</b>
Adjustment for Provision for Excise duty on closing stock		13,444,855		( 10,24,534)
		<b>321,599</b>		<b>(58,377)</b>
<b>Total</b>		<b>13,766,454</b>		<b>(1,082,911)</b>
<b>NOTE : 23</b>				
<b>EMPLOYEE BENEFITS EXPENSE</b>				
Salaries, Wages and Bonus		29,155,885		31,015,723
Contribution to Provident fund and other funds		2,705,856		3,049,796
Gratuity		1,213,755		1,818,963
Staff Welfare expenses		1,758,009		1,978,392
<b>Total</b>		<b>34,833,505</b>		<b>37,862,874</b>
<b>NOTE : 24</b>				
<b>FINANCE COSTS</b>				
Interest expenses		114,163,678		98,228,947
Other borrowing costs		3,540,054		4,160,306
<b>Total</b>		<b>117,703,732</b>		<b>102,389,253</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>st</sup> MARCH, 2016**

(Amount in ₹)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
<b>NOTE : 25</b>				
<b>OTHER EXPENSES</b>				
Power and Fuel		49,279,588		66,784,132
Labour Charges		8,684,473		4,224,384
Repairs and Maintenance Expenses:				
Repairs to building	100,585		224,322	
Repairs to machinery	50,180		228,691	
Repairs - Others	1,519,183		1,154,966	
		1,669,948		1,607,979
Packing Charges		5,380,015		6,003,014
Insurance		618,306		534,746
Telephone and Postage		1,653,466		1,766,313
Travelling and Conveyance		1,916,020		1,480,526
Rebate and Discount		936,866		2,014,184
Commission and Brokerage		3,714,389		2,517,919
Directors' Sitting Fees		94,500		90,000
Legal and Professional Charges		3,380,852		3,800,145
Auditors' Remuneration		1,170,549		1,184,280
Rates and Taxes		1,116,229		1,101,597
Transportation		591,596		1,038,079
Retainership Charges		2,229,234		1,625,219
Sundry Balance Written off		350,854		117,638
Loss on Sale/Discard of Assets		39,260		-
Miscellaneous Expenses		6,144,890		5,552,316
<b>Total</b>		<b>88,971,035</b>		<b>101,442,471</b>
<b>NOTE : 26</b>				
<b>Contingent liabilities not provided in respect of :</b>				
Disputed income tax demand for assessment year 2013-14		2,47,28,640		-
The management is reasonably confident that no liability will be devolved on the Company.				

**Note:**

The Company has reviewed its pending litigations and reasonably expects that the outcome of proceedings shall not have a material impact on its financial statements.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### 27. Secured Loans :

- (a) Term Loan of ₹ 325.45 Lacs (Previous year ₹ 283.09 Lacs) (Interest @ 13.75% p.a.; previous year @ 13.75% p.a.) are secured by way of equitable mortgage of all immovable properties and hypothecation of all movable assets which is equally repayable in 36 monthly installments after moratorium period of 3 months and is also personally guaranteed by two directors of the Company.
- (b) Non fund based limit utilised 640.29 Lacs (Previous year ₹ 100 Lacs) and Cash Credit ₹ 1952.73 Lacs (Previous year ₹ 1809.43 Lacs) (Interest @ 15% p.a.; previous year @ 15% p.a.) are secured by hypothecation of stocks and book debts and is also personally guaranteed by two directors of the Company.
- (c) Vehicle Loan of ₹ 14.92 Lacs (Previous year ₹ 20.37 Lacs) (Interest @ 8.75%/10.25% ; previous year @ 8.75%/10.25%) are repayable over a period of 3 years and secured by hypothecation of Vehicle purchased their against.
- (d) Working Capital Term Loan (WCTL) ₹ 1589.47 Lacs (Previous year ₹ 1366.16 Lacs), Interest @ 15.25% floating, secured by way of hypothecation of all stocks at factory/ consignment agents and book debts (residual value after meeting the DP for ODBD limits) and secured by 1st charge of mortgage of factory land and building and hypothecation of other fixed assets of the company unit at MIDC, Ambad, Nashik and is also personally guaranteed by the two directors of the company. Loan repayable in 36 equal monthly instalment after moratorium of 24 months. Interest to be paid on monthly basis from the day one.
- (e) Working Capital Term Loan of ₹ 922.10 Lacs (Previous year ₹ 922.10 Lacs), Interest @ 13.50%, secured by 2nd Charge of Mortgage of immovable properties and 2nd Charge on hypothecation of all Moveable Fixed Assets, and all other Current Assets of the Company. The same is Personally Guaranteed by the Managing Director of the Company. The loan is repayable in 60 monthly installments after moratorium of 18 months. Interest is payable on monthly basis from January 2015.
- (f) Loan amount of ₹ 1113.41 Lacs and Interest amount of ₹ 608.41 Lacs are overdue since September 2014 to March 2016.

The Company has requested the Bank for the Restructuring of the same.

### Unsecured Loans:

Interest rate range between 15% to 21% (Previous year 15% to 18%) and are repayable within 1 to 3 years (Previous year 1 to 3 years).

28. (a) In the opinion of the Board, assets other than fixed assets and non current investment have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
  - (b) The accounts of trade receivable and payable and Loans and Advances are subject to formal confirmations/ reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial.
29. Dies (included in stores and spares inventories) of ₹ 285,799,500 (Previous year ₹ 269,910,000) have been valued by a government approved valuer considering their residual useful life and replacement value and relied upon by the Auditors being a technical matter.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

30. Land, Building, Plant & Machinery and Electrical Installations were revalued in the accounts on April 1,1994. The same have again been revalued on March 31,2004 on the basis of reports of approved valuer/ replacement cost basis using standards indices. The following revalued amount (net of withdrawals) remain substituted for the historical cost in the gross block of fixed assets.

(Amount in ₹)

Particulars	As at March 31,2016	As at March 31,2015
Land	21,120,000	21,120,000
Building	27,453,375	27,453,375
Plant & Machinery	295,523,547	295,523,547
Electrical Installation	7,635,020	7,635,020

31. Auditors' Remuneration include :

(Amount in ₹)

Particulars	2015-2016	2014-2015
Audit Fees	250,000	250,000
Tax Audit	125,000	125,000
Taxation matters	125,000	125,000
Certification	450,000	315,590
Others	163,090	300,000
Out of Pocket Expenses (excluding service tax)	57,459	68,690
	<b>1,170,549</b>	<b>1,184,280</b>

32. Earning Per Share :

(Amount in ₹)

Particulars	2015-2016	2014-2015
Profit as per Profit and Loss Account	<b>(63,118,796)</b>	(83,819,337)
Basic and Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	<b>7,367,818</b>	7,061,517
Nominal value per Equity Shares	<b>10</b>	10
Basic earnings per share (₹)	<b>(8.57)</b>	(11.87)
Diluted earning per share (₹)	<b>(8.57)</b>	(11.87)

33. Value of Imports on CIF basis :

(Amount in ₹)

Particulars	2015-2016	2014-2015
Compnents and Spare Parts	-	1,162,044

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### 34. Cost of Raw material consumed :

Particulars	2015-2016		2014-2015	
	%	(Amount in ₹)	%	(Amount in ₹)
<b>(a) Raw Material</b>				
Imported Material	-	-	-	-
Indigenous Material	<b>100.00</b>	<b>547,015,887</b>	100.00	589,548,528
<b>Total</b>	<b>100.00</b>	<b>547,015,887</b>	100.00	589,548,528
<b>(b) Spare parts and Components</b>				
Imported Material	<b>0.66</b>	<b>63,739</b>	13.21	1,240,971
Indigenous Material	<b>99.34</b>	<b>9,551,575</b>	86.79	8,163,580
<b>Total</b>	<b>100.00</b>	<b>9,615,314</b>	100.00	9,404,551

35. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.

36. The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and down stream/ value added products. All of Company's operations are located in India and are subject to the same risks and returns. Therefore, no separate segment reporting is provided in terms of Accounting Standard "Segment Reporting".

37. Disclosure as required by Accounting Standard -15 (Revised) on Employee Benefits:

The following table sets out the status of gratuity payable as required under AS -15 :

Description	Amount in ₹	
	2015-2016	2014-2015
<b>A. Expense recognised in the statement of Profit and Loss</b>		
- Current Service Cost	<b>643,525</b>	782,035
- Interest Cost	<b>967,735</b>	1,057,732
- Past Service Cost	-	-
- Net actuarial (gain)/ loss recognised during the year	<b>(397,505)</b>	(20,804)
- Net expenses charged to Statement of Profit & Loss	<b>1,213,755</b>	1,818,963
<b>B. Change in present value of obligation</b>		
- Present value of obligation at the beginning of the year	<b>13,689,978</b>	13,312,743
- Current Service Cost	<b>643,525</b>	782,035
- Interest Cost	<b>967,735</b>	1,057,732
- Benefits paid/ Payable	<b>(1,320,303)</b>	(1,441,728)
- Actuarial (gain)/ loss on obligation	<b>(397,505)</b>	(20,804)
- Present value of obligation at the end of the year	<b>13,583,430</b>	13,689,978
<b>C. Actuarial Assumptions</b>		
- Discount rate	<b>7.75 %</b>	7.70 %
- Expected rate of return on assets		
- Mortality Rate	<b>Indian Assured Lives mortality (2006-08)</b>	Indian Assured Lives mortality (2006-08)
- Future salary increases considering inflation, seniority, promotion and other relevant factors	<b>6.00 %</b>	6.00 %

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>st</sup> MARCH, 2016**

**38. Disclosures as required by Accounting Standard -18, on "Related Party Disclosure" are given below:**

**(i) Associates with whom transactions have been entered during the year in the ordinary course of the business:**

Sudarshan Chokhani and Company  
Shriram Chokhani and Company

**(ii) Key Management Personnel:**

Shri Sudarshan S. Chokhani - Managing Director  
Shri Mukesh V. Ashar - CFO & Whole time director  
Shri Ketan Shirwadkar - Company Secretary (upto 10th October, 2015)  
Shri Saurabh Patkar - Company Secretary (w.e.f. 14th November 2015 till 19th March 2016)

**(iii) Relatives of Key Managerial Personnel:**

Shri Shyantanu S. Chokhani - Son of Shri Sudarshan S. Chokhani

**(a) Transactions during the year:**

(Amount in ₹)

Particulars	Associates / Group Companies / Firms	Key Management Personnel / Relatives of Key Managerial Personnel	Total
<b>Purchase of goods</b>			
Sudarshan Chokhani and Company	<b>16,482,889</b> (70,057,472)	-	<b>16,482,889</b> (70,057,472)
Shriram Chokhani and Company	<b>34,147,328</b> (57,067,698)	-	<b>34,147,328</b> (57,067,698)
<b>Finance Charges</b>			
Sudarshan Chokhani and Company	<b>8,330,244</b> (21,973,770)	-	<b>8,330,244</b> (21,973,770)
Shriram Chokhani and Company	<b>4,481,710</b> (4,633,764)	-	<b>4,481,710</b> (4,633,764)
<b>Advisory Fees</b>			
Shri Shyantanu S. Chokhani	-	<b>900,000</b> (225,000)	<b>900,000</b> (225,000)
<b>Managerial Remuneration</b>			
Shri Sudarshan S. Chokhani	-	<b>3,700,000</b> (3,000,000)	<b>3,700,000</b> (3,000,000)
Shri Shyantanu S. Chokhani	-	-	-
		(1,500,000)	(1,500,000)
Shri Mukesh V. Ashar	-	<b>661,857</b> (212,865)	<b>661,857</b> (212,865)
Shri Ketan Shirwadkar	-	<b>215,650</b> (255,525)	<b>215,650</b> (255,525)
Shri Saurabh Patkar	-	<b>202,501</b> (-)	<b>202,501</b> (-)
Counter Guarantee given to Bank by the two directors, being jointly and severally liable	-	<b>508,210,133</b> (508,210,133)	<b>508,210,133</b> (508,210,133)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

**(b) Balances with Related Parties as on 31.03.2016**

(Amount in ₹)

Particulars	Associates / Group Companies / Firms	Key Management Personnel / Relatives of Key Managerial Personnel	Total
<b>Payables</b> (net of Inter-Company/third party adjustments, if any)			
Sudarshan Chokhani and Company	<b>22,142,160</b> (23,576,670)	- -	<b>22,142,160</b> (23,576,670)
Shriram Chokhani and Company	<b>33,136,125</b> (13,867,964)	- -	<b>33,136,125</b> (13,867,964)
<b>Receivables</b>			
Sudarshan Chokhani and Company	<b>17,762,500</b> (17,762,500)	- -	<b>17,762,500</b> (17,762,500)
Shriram Chokhani and Company	<b>39,600</b> (39,600)	- -	<b>39,600</b> (39,600)
Counter Guarantee given to Bank by the two directors, being jointly and severally liable	- -	<b>508,210,133</b> (508,210,133)	<b>508,210,133</b> (508,210,133)

**Note:**

1. No amount pertaining to related parties has been provided for as doubtful. Also no amount has been written off/back.
  2. The related parties are as identified by the Company and relied upon by the Auditors.
39. The previous year figures have been regrouped/ rearranged/ reclassified, wherever necessary to conform to the current year presentation. Figures in brackets pertain to previous year.

**Signatures to Notes 1 to 39 which form an integral part of the financial statements.**

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

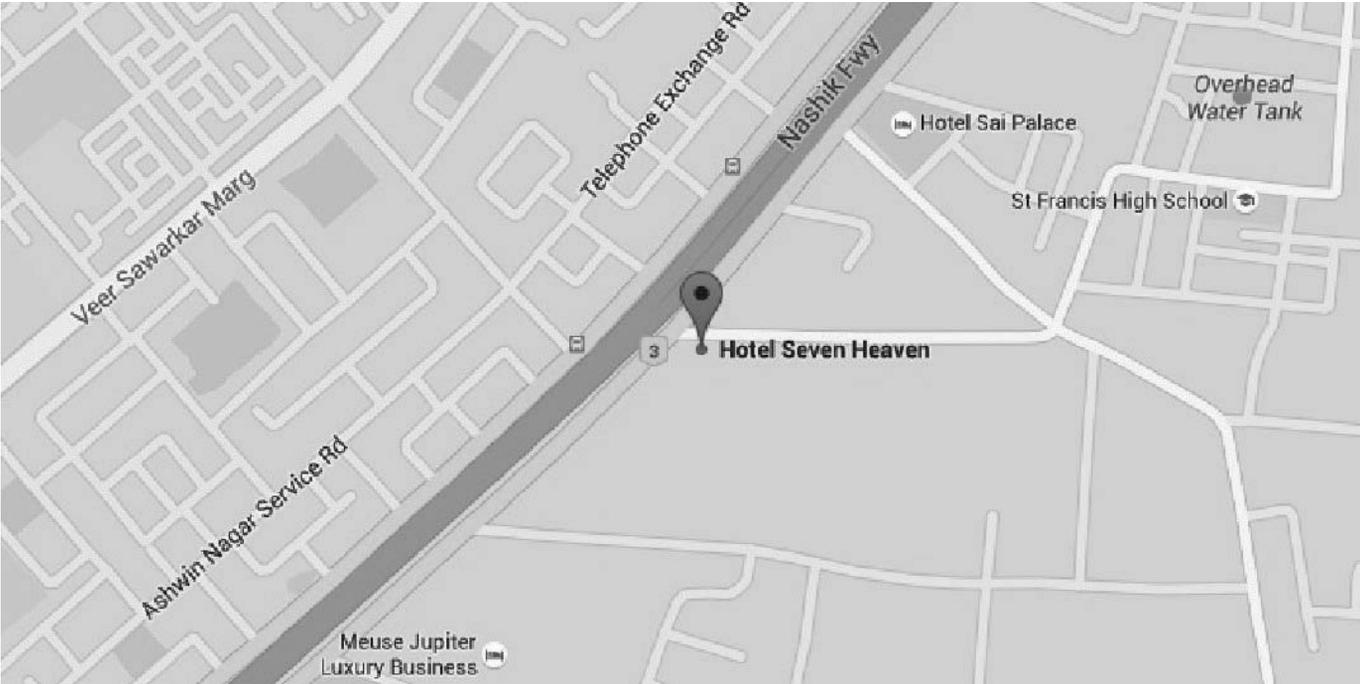
**Sudarshan S Chokhani**  
Managing Director

**Place : Mumbai**  
**Date : 14<sup>th</sup> May, 2016**

**Pooja Bangera**  
Company Secretary

**Mukesh V Ashar**  
CFO and Director

**AGM, Route Map, Hotel Seven heaven, Nashik**





# Sudal Industries Limited

(CIN : L21541MH1979PLC021541)

Registered Office : A - 5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422 010 Maharashtra

## PROXY FORM No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L21541MH1979PLC021541		
Name of the company	Sudal Industries Limited		
Registered office	A – 5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422010, Maharashtra		
Name of the Member			
Registered Address			
Folio No / Client ID		DP ID	
No of Shares		E Mail ID	

I/ We, being the member (s) of .....shares of the above mentioned Company, hereby appoint.

1. Name : .....

Address : .....

E-mail Id : .....

Signature : ..... or failing him
2. Name : .....

Address : .....

E-mail Id : .....

Signature : ..... or failing him
3. Name : .....

Address : .....

E-mail Id : .....

Signature : .....

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the Thirty Seventh Annual General Meeting of the Company, to be held on Sunday, 24<sup>th</sup> July, 2016, at 3.00 P.M. at Hotel Seven Heaven, Mumbai Agra Highway, Opposite Mahindra House, Pathardi Phatha, Nashik – 422010, Maharashtra, and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Sr. No.	Resolutions	For	Against	Abstain
1.	Adoption of Audited Balance Sheet as at 31 <sup>st</sup> March, 2016, the Statement of Profit and Loss and Cash Flow for the year ended on that date and the Report of the Board of Directors and the Auditors thereon.			
2.	Re-appointment of Shri. Shyantanu Chokhani (DIN 02444142), as a Director of the Company			
3.	Ratification of Appointment of Statutory Auditors			
4.	Appointment of Ms. Vedika Gupta (DIN 07344836) as an Independent Director of the Company			
5.	Ratification of Remuneration of Cost Auditors			

Signed this.....day of .....2016

AFFIX Re. I  
REVENUE STAMP  
AND SIGN  
ACROSS  
THE STAMP

\_\_\_\_\_  
Signature of Shareholder

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

**Notes:**

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

## **M** ISSION

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

## **V** ISION

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

## **Q** UALITY

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

---

**SUDAL INDUSTRIES LIMITED**

CIN : L21541MH1979PLC021541

---



## **SUDAL INDUSTRIES LIMITED**

CIN : L21541MH1979PLC021541

Corporate Office :

26 A, Nariman Bhavan, 227, Nariman Point, Mumbai – 400 021 • Tel No : +91-22-61577100 / 177

E- mail : [mumbai@sudal.co.in](mailto:mumbai@sudal.co.in)