



# SUDAL INDUSTRIES LIMITED

CIN : L21541MH1979PLC021541



**40<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**TÜV**

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



# SUDAL INDUSTRIES LIMITED

CIN : L21541MH1979PLC021541



# Corporate Information

## FOUNDER AND PROMOTER DIRECTOR

Late Shri. Shriram Chokhani [1924-2010]

## BOARD OF DIRECTORS

### Shri Sudarshan S Chokhani

(Managing Director)

### Shri Shyantanu S Chokhani

(Non-Executive Director)

### Shri Mukesh V Ashar

(Whole time Director & CFO)

### Shri Jal S Thanawala

(Independent Director)

### Ms Neha Dhuru

(Independent Director w.e.f 15/10/18)

### Shri Manoj O Shah

(Independent Director Resigned w.e.f 25/07/2019)

### Shri Lalit Maharshi

(Additional and Independent Director w.e.f 25/07/2019)

### Shri Vikash Mahnot

(Company Secretary and Compliance Officer)

Membership No A39571 w.e.f 25/07/2019)

## CORPORATE MANAGEMENT TEAM

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 400021

Tel No 91-22-61577100/177

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

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private limited

C101,247 Park, L B S Marg

Vikhroli West, Mumbai -400083

Tel No 91-22-49186000

Fax No 91-22-49186060

E Mail :rnt.helpdeck@linkintime.co.in

Web site www.linkintime.co.in

## STATUTORY AUDITORS

Bagaria & Co LLP

Chartered Accountants

701 stanford,

Junction of S V Road & Barfiwala Marg

Andheri (W), Mumbai 400058.

## BANKERS

Syndicate Bank, Mumbai

## SOLICITORS & ADVOCATES

India Law Alliance

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

S Burjori Bharucha Marg,

Fort,, Mumbai -400023

## 40<sup>th</sup> ANNUAL GENERAL MEETING

On Saturday 28th Septmber,2019 at 3 PM

AT A- 5 MIDC, Ambad Industrial Area,

Mumbai Nashik Highway

Nashik 422010

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# MANAGING DIRECTOR'S STATEMENT 2018-2019

## Dear Shareholders,

I am happy to report a year of strong performance. Our remains on nurturing the long term growth potential of the Company, while maximizing the available opportunities and minimizing the risk. Our revenue performance has affirmed our strategic product mix choices and now our focus is on acceleration of the growth patterns.

## COMPANY PERFORMANCE

Despite differential pricing policy adopted by the primary producers, the Company was able to achieve higher sales both in terms of value & quantity mainly due to increased Prices by Primary producers. Despite slow down, demand for Electrical / Engineering products enabled to accelerate the production and Turn Over. It is this differential pricing policy and upward variation in power & fuel cost has affected margin before Interest and depreciation. In February, 2019, the Bankers have issued Notice under DSARFASEA Act, 2002 for recovery of over due amount. The Company has submitted appropriate reply and objections.

## OUTLOOK FOR ALUMINIUM INDUSTRIES

Aluminium segment includes primary aluminium, aluminium extrusions, aluminium rolled products, alumina chemicals

Demand for aluminium is expected to pick up as the scenario improves for user industries, like power, infrastructure and transportation. Production of aluminium stood at 2.8 million metric tonnes during FY18. Total imports of aluminium and aluminium products in India during FY18 stood at US\$ 3.55 billion, whereas, in FY19 it reached US\$ 2.15 billion. Consumption of aluminium in India estimated at 3.4 million tonnes in FY18 is expected to reach to 5.3 million tonnes by 2020. Aluminium production is estimated to reach 3.33 million tonnes per annum in FY20.

National Aluminium Company (NALCO), a central government-owned entity, is set to join the club of million-tonne producers in the metal segment by 2020. NALCO has readied an about US\$ 3.72 billion investments for increasing its alumina, aluminium and power production capacities.

In April 2018, NALCO readied about US\$ 3.72 billion investments for increasing its alumina, aluminium and power production capacities, the other update fine

Demand of aluminium in India was expected to grow at 18-19 per cent per annum and this was driven by growth in sectors like electricity, transport, building, construction and packaging

"Consumption of aluminium in India estimated at 3.4 million tonnes in FY18 is expected to reach to 5.3 million tonnes by 2020.

India is among the lowest cost producers of aluminum in the world, owing to easy availability of raw materials and comparatively low labour costs. The growing demand for aluminum in the last decade, driven by India's underlying growth story, has resulted in expansion of smelting capacities of the major domestic players.

With the addition of new aluminum capacities, India aims at not only satisfying domestic demand, but also playing a major role in the global aluminum market.

Prices of aluminum have shown recovery over the past financial year. One of the main reasons for this is due to measures taken up by the Chinese economy, as well as renewed sentiments toward the demand for aluminum.

### **ACKNOWLEDGEMENT**

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

Your director also lace on record their appreciation for the support and cooperation extend to the Company by the bankers, customers vendors and shareholders.

For and on behalf of the board of Directors  
**For Sudal Industries limited**

**Sd/-**

**Place : Mumbai**  
**Date : 30th May, 2019**

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



## NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of the Members of **Sudal Industries Limited** will be held on Saturday, **28<sup>th</sup> September, 2019** at 3:00 P.M. at Registered office situated at A-5 MIDC Ambad Industrial, Mumbai Agra Highway, Nashik 40010 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019, together with the Reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Shyantanu S Chokhani (DIN: 02444142), who retires by rotation and being eligible offers himself for re-appointment.

### **SPECIAL BUSINESS :**

#### **3. Reappointment of Shri Jal Thanawala as independent Director**

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

**RESOLVED THAT** in accordance with the provision of Section 149,150,152 and all other applicable provisions of the Companies Act,2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Shri Jal Thanawala (DIN 06912221) who was appointed as independent director for the period of five years from 27<sup>th</sup> September, 2014 to 26<sup>th</sup> September,2019 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director along with requisite deposit be and is hereby reappointed as independent Director of the Company, to hold office for further five consecutive years up to 26<sup>th</sup> September, 2024 and that he shall not be liable to retire by rotation as stipulated under section 149(13) of the Companies Act, 2013.

#### **4. Appointment of Ms. Neha Dhuu as Independent Director**

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

**RESOLVED THAT** in accordance with the provision of 149,150,152 and all other applicable provisions of the Companies,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule IV to the Companies Act,2013, Ms. Neha Duru (DIN No 08206406), who was appointed as Additional Director pursuant to the provision of Section 161 of the Companies Act,2013 and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director along with requisite deposits, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years up to 14<sup>th</sup> October,2023 and that he shall not be liable to retire by rotation as stipulated under section 149(13) of the Companies Act, 2013

#### **5. Appointment of Mr Lalit Maharshi as Independent Director**

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

**RESOLVED THAT** in accordance with the provision of 149,150,152 and all other applicable provisions of the Companies,2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for time being in force) read with Schedule IV to the Companies Act,2013, Shri Lalit Mahershi(DIN No 08519212), who was appointed as Additional Director pursuant to the provision of Section 161 of the Companies Act,2013 and who holds office up to this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director along with requisite deposits, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years up to 24<sup>th</sup> July,2024 and that he shall not be liable to retire by rotation as stipulated under section 149(13) of the Companies Act,2013

#### **6. Ratification of Remuneration payable to Cost Auditor**

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

**RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors ) Rule,2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),and pursuant to the recommendation of the Audit Committees subject to approval of Share Holders and as per the recommendation of Audit Committee the consent of Board be and hereby accorded for appointment of M/s Hemant Shah & Associates, Cost Accountants ICAI Firm Registration No.113447W/W-100019 as a Cost Auditor of the Company for the Financial Year 2019-2020 for a consolidated Remuneration of Rs70000/- (Rupees Seventy Thousand Only ) plus applicable Taxes and reimbursement of out of pocket expenses at actuals.

**RESOLVED FURTHER THAT** any one of the Director of the Company be and is hereby authorized to file the relevant e- Form with registrar of Companies ,(ROC) as required under the Companies Act,2013 and the rules made thereunder and to do all such acts, deeds , matters and things as in their absolute discretion they may consider necessary, expedient or desirable in order to give effect to this resolution or otherwise considered by them in the best interest of the Company.

**Place: Mumbai**

**Date:13<sup>th</sup> August, 2019**

**Registered Office:**

A 5 MID Cambad Industrial Estate  
Mumbai Nashik Highway  
Nashik-422010

**Sudarshan Chokhnai**

**Managing Director**

**DIN: 00243355**

**NOTES:**

- A) A statement setting out the material facts relating to special business to be transacted at the meeting pursuant to section 102(1) of the Companies Act,2013 is annexed here to. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015,in respect of Directors seeking appointment/reappointment at the Annual General Meeting is furnished as annexure A to the notice.**
- B) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE ENCLOSE PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOTLESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the Total Share Capital of the Company carrying voting rights. Member holding more than 10% of the Total Share Capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member
- C) Corporate Members intending to send their representative to attend the Meeting pursuant to section 113 of the Companies Act,2013 are requested to send a duly certified true copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.**
- D) Only confide members of the Company whose names appear on the register of member /proxy holders, in possession of valid attendanceslips duly filled and signed will be permitted to attend the meeting.**
- E) In case of joint holders attending the Meeting, any such joint holder who is higher in the order of names will be entitled to vote.**
- F) The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are M/s. Link Intime (India) Private Limited having their registered office at C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083.**
- G) Register of Members of the Company shall remain closed from 21st September,2019 to Saturday 28th September,2019(Both days inclusive**
- H) Members, who wish to seek clarification on accounts, are requested to address their queries to the Registered Office of the Company at least seven days prior to the date of Annual General Meeting, to enable the Management to make available the relevant information at the Annual General Meeting, to the extent possible.**
- I) Members are requested to bring their copy the Annual Report to the Annual General Meeting.**
- J) A brief resume of Directors proposed to be appointed at the Annual General Meeting, as per Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 on General Meetings is annexed hereto.**
- K) The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.**
- L) Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail of this facility may send their nomination in the prescribed Form SH-13 duly filled in to M/s. Link Intime (India) Private Limited at the above mentioned address. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility.**
- M) Members are requested to:**
- (a) intimate to the Company's Registrar and Transfer Agents, M/s. Link Intime (India) Private Limited at the above mentioned address, of changes if any, in the registered address at an early date, in case of shares held in physical form;



- (b) intimate to the respective Depository Participants, changes, if any, in their registered addresses at an early date, in case of shares held in dematerialized form;
- (c) send their email ID's to the Registrar and Share Transfer Agent of the Company / to the Company (for members holding shares in physical form);
- (d) send / update their email ID's to the Depository Participant / Registrar and Share Transfer Agent of the Company (for members holding shares in Demat Form);
- (e) quote their Folio numbers/Client ID/DP ID in all their correspondences;
- (f) approach the Company to consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names;
- (g) get the shares transferred in joint names, if they are held in a single name and/or appoint a nominee; and
- (h) to bring their copies of the Annual Report, Notice and Attendance slip to the General Meeting. No copies will be distributed at the Meeting as a measure of economy.

**N)** Please note that in terms of SEBI Circulars No. MRD/DoP/ Cir-05/2009 dated May 20, 2009 and No. SEBI/MRD/DoP/SE/ RTA/Cir-03/2010 dated January 7, 2010, it is mandatory for the shareholders holding shares in physical form to submit self-attested copy of PAN card in the following cases:

- Transferees' PAN Cards for transfer of shares,
- Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- Legal heirs' PAN Cards for transmission of shares,
- Joint holders' PAN Cards for transposition of shares.

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

- O)** In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 are being sent in the permitted mode.
- P)** Electronic copy of the Notice of the 40th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 40th Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
- Q)** Members may also note that the Notice of the 40th Annual General Meeting and the Annual Report for the year ended March 31, 2019 will also be available on the Company's website [www.sudal.in](http://www.sudal.in). The physical copies of the same will remain open for inspection at the Registered Office of the Company during business hours on working days, upto the date of the Annual General Meeting.
- R)** In terms of Section 91 of the Companies Act, 2013 and Regulation 42 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Record Date for the purpose of the Annual General Meeting is Saturday, 22nd September, 2019.
- S)** **Voting through electronic means:** In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Rules 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by Central Depository Services (India) Limited ('CDSL') i.e. Remote e-voting. The facility for voting through ballot paper, will also be made available at the venue of the Annual General Meeting and the members attending the Annual General Meeting, who have not already cast their votes by Remote e-voting shall be able to exercise their right at the Annual General Meeting through ballot paper. Members who have cast their votes by remote e-voting prior to Annual General Meeting may attend the Annual General Meeting but shall not be entitled to cast their votes again.

**The instructions for e-Voting are as under:****A. In case of members receiving the Notice by e-mail:**

- (i) The e-voting period begins at 9.00 A.M. on Wednesday, **25th September, 2019 and ends at 5.00 P.M. on Friday, 27th September, 2019**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, 22nd September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Any person who becomes a member of the Company after dispatch of the Notice of meeting and holding shares as on the cut-off date may obtain their User ID and password in the manner as mentioned below. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on 'Shareholders'.
- (iv) Now enter your User ID credentials:
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and click on 'Login'.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below.

<b>For Members holding shares in Demat Form and Physical Form.</b>	
PAN*	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in capital letters. Eg. if your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned above.</li> </ul>

- (viii) After entering these details appropriately, click on 'SUBMIT' tab.
- (ix) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the relevant EVSN for the 'Sudal Industries Limited' on which you choose to vote.
- (xii) On the voting page, you will see 'RESOLUTION DESCRIPTION' and against the same the option 'YES/NO' for voting. Select the option YES or NO as desired. The option 'YES' implies that you assent to the Resolution and the option 'NO' implies that you dissent to the Resolution.
- (xiii) On the voting page enter the number of shares (which represents no. of votes) as on the cut-off date under 'For/Against'.



- (xiv) Click on the 'Resolutions File Link' if you wish to view the entire Resolutions details.
- (xv) 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.
- (xvi) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xvii) Shareholders holding multiple folios/ demat accounts shall choose the voting process separately for each folio/ demat account.
- (xviii) Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (xix) During the voting period, shareholders can login any number of times till they have voted on the resolution(s).
- (xx) You can also take out print of the voting done by you by clicking on 'Click here to print' option on the Voting page.
- (xxi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (xxii) Notes for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com)
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same. They may also send across a hard copy of the documents to the Scrutinizer.

(xxiii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).

**B. In case of shareholders receiving the Notice by post:** For shareholders whose email IDs are not registered with the Company/Depository Participant(s) and who receives the physical copy of the Annual General Meeting Notice, the following instructions may be noted:

- i. The User ID and initial password is provided at the bottom of the Annual General Meeting Notice.
- ii. Follow all the steps from i to xxii mentioned above to cast your vote successfully.

**T)** Details of person to be contacted for issues relating to voting through Physical Ballot and e-voting: Ms. Sharmila Amin, Link Intime (India) Private Limited, C-101, 247 Business Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**U)** Mr. Jayesh Shah, Practising Company Secretary (Membership No. FCS 5637), Partner, M/s Rathi & Associates, Company Secretaries in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the same.

The Scrutinizer shall immediately after the conclusion of the voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and make not later than forty-eight (48) hours from the conclusion of the voting at the Annual General Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

Based on the Scrutinizer's Report received on Remote e-voting and voting at the meeting, the Chairman or any other Director so authorized will declare the results of the voting forthwith. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.sudal.co.in](http://www.sudal.co.in) and will be communicated to BSE Limited, immediately after the result is declared. The same shall also be placed on the website of CDSL.

**V)** Route Map providing directions to reach the venue of the Meeting is given at the end of this Notice as per the requirement of Secretarial Standards -2 on General Meetings.

- W) Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent in respect of shares held in physical form and with respective Depository Participants ('DP') where the shares are held in dematerialized form. Shareholders holding shares in physical form can send their email address for registration to the Company's Registrar and Transfer Agent quoting the Folio Number and Name.
- X) All documents referred to in the accompanying Notice will remain open for inspection at the Registered Office of the Company during normal business hours (9.30 A.M. to 6.00 P.M.) on all working days up to and including the date of the Annual General Meeting of the Company.

**For and on behalf of the Board**

**Sudarshan Chokhnai**

**Managing Director**

**DIN: 00243355**

**Place: Mumbai**

**Date: 13th August, 2019**



**STATEMENT SETTING OUT THE MATERIAL FACTS CONCERNING AND RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE MEETING PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

**Item No. 3**

The Members of the Company at the 35th Annual General Meeting (AGM) held on September 27, 2014 appointed Mr. Jal Thanawala (DIN:06912221) as Independent Director of the Corporation for a term of 5 (five) consecutive years from the date of that AGM and accordingly they hold office as such up to 26th September, 2019. The Nomination and Remuneration Committee of Directors after evaluating the contribution of Mr. Jal Thanawala to the strategic direction of the Company and its overall growth, their performance and also considering the skills, experience and knowledge they bring to the Board, recommended the re-appointment of Mr. Jal Thanawala as Independent Director each for another term of 5 years with effect from 27th September, 2019. The Board of Directors at its meeting held on 30th May, 2019 considered and approved the said re-appointments, subject to the approval of the Members of the Company. The Company has also received declarations from Mr. Jal Thanawala confirming that he meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). He also confirmed that he is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 nor has been debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and has given his consent to act as Directors of the Company. Accordingly, the approval of Members for re-appointment of Dr. J. J. Irani as mentioned in resolution as set out at Item No. 8 is also sought towards the same. In the opinion of the Board of Directors of the Company, Mr. Jal Thanawala continue to fulfill the conditions for independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management of the Company. He also meet the various criteria enumerated in the Policy on Appointment of Directors in terms of the provisions of Section 149(10) of the Companies Act, 2013, re-appointment of an Independent Director for a second term requires passing of a special resolution. Accordingly, approval of Members by way of a special resolution is being sought for re-appointment of Mr. Jal Thanawala as Independent Directors for another term of 5 (Five) years each. The Company has received notices in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr. Jal Thanawala for re-appointment as Independent Directors of the Company. Profile of Mr. Jal Thanawala is provided as a part of this Notice. The Board recommends the passing of the special resolutions as set out at Item Nos. 3 of this Notice, for the approval of the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 3 of this Notice.

**Item No 4**

During the year, the Nomination and Remuneration Committee of Directors as outlined the skill set required by the directors based on various factors including the business operations of the Company and the industry in which it operates. Thereafter, the Committee also mapped the skill set required and was of the view that the Company would need to appoint independent director with expertise in legal matters. After evaluating the set criteria, the Nomination and Remuneration Committee recommended the appointment of Ms. Neha Dhru (DIN: 08206406), as an Independent Director of the Company. The Nomination and Remuneration Committee also noted that Ms. Neha Dhru meet the various criteria enumerated in the Policy on Appointment of Directors and accordingly the Board at their meeting held on 26th October, 2018 appointed Ms. Neha Dhuru as additional and independent Director to hold the office till the date of ensuing AGM. Profile of Ms. Neha Dhuru is provided as a part of this Notice. The Company has also received declarations from Ms. Neha Dhuru confirming that she meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). She also confirmed that he is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 nor has been debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and has given his consent to act as Directors of the Company. Based on the above, the Board of Directors of the Company opined that Ms Neha Dhuru fulfill the conditions for independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management of the Company. Ms. Neha Dhuru shall not be liable to retire by rotation. The letter of appointment issued to Ms. Neha Dhuru setting out the terms and conditions and other material documents are available for inspection. The approval of the Members is being sought for the appointment of Ms. Neha Dhuru as Independent Directors of the Company for a term of five consecutive years each, with effect from September 28, 2019 pursuant to the provisions of Sections 149, 152 and Schedule IV to the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions and they shall not be liable to retire by rotation. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr Lalit Maharshi for appointment as Independent Directors of the Company. The Board recommends the passing of the ordinary resolutions as set out at Item No. 4 of this Notice, for the approval of the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 4.

**Item Nos. 5**

During the year, the Nomination and Remuneration Committee of Directors as outlined the skill set required by the directors based on various factors including the business operations of the Company and the industry in which it operates. Thereafter, the Committee also mapped the skill set required and was of the view that the Company would need to appoint independent director with expertise in information technology, data analytics, digital platforms and cyber security. After evaluating the set criteria, the Nomination and Remuneration Committee recommended the appointment of Mr Lalit Maharshi (DIN: 08519212), as an Independent Director of the Company. The Nomination and Remuneration The Committee also noted that Mr Lalit Maharshi meet the various criteria enumerated in the Policy on Appointment of Directors and accordingly the Board at their meeting held on 25th July,2019 appointed Mr Lalit Maharshi as additional and independent Director to hold the office till the date of ensuing AGM .. Profile of Mr. Lalit Maharshi is provided as a part of this Notice. The Company has also received declarations from Mr Lalit Maharshi confirming that he meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"). He also confirmed that he is not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 nor has been debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority and has given his consent to act as Directors of the Company . Based on the above, the Board of Directors of the Company opined that Mr Lalit Maharshi fulfill the conditions for independence specified in the Companies Act, 2013 and the Listing Regulations and are independent of the management of the Company. Mr. Lalit Maharshi shall not be liable to retire by rotation. The letter of appointment issued to Mr Lalit Maharshi setting out the terms and conditions and other material documents are available for inspection. The approval of the Members is being sought for the appointment of Mr Lalit Maharshi as Independent Directors of the Company for a term of five consecutive years each, with effect from September 28, 2019 pursuant to the provisions of Sections 149, 152 and Schedule IV to the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 and any other applicable provisions and they shall not be liable to retire by rotation. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from certain Members proposing the candidature of Mr Lalit Maharshi for appointment as Independent Directors of the Company. The Board recommends the passing of the ordinary resolutions as set out at Item No. 4 of this Notice, for the approval of the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives other than those mentioned in the respective resolutions and their relatives are in any way concerned or interested, financially or otherwise, in the resolutions as set out at Item Nos. 4.

**ITEM NO 6**

The Board of Directors of the Company, on recommendation of Audit Committee, had approved the appointment of M/s Hemant Shah & Associates, Cost Accountants (Firm Registration No 000394 ) as the Cost Auditor of the Company to conduct the audit of the cost accounts maintained by the Company for Financial year(s) ending 31st March,2019.

In accordance with the provision of section 148 of the Companies Act,2013 read with the Companies (Audit and Auditor Rule),2014 ,the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing the Ordinary Resolutions as set out at Item No 3 of the Notice for ratification of the remuneration payable to Cost Auditors for the financial year 2018-19.

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

The Board recommends the Resolution as set out in the Notice for approval of the Members of the Company

**For and on behalf of the Board**

**Sudarshan Chokhnai**

**Managing Director**

**DIN: 00243355**

**Place: Mumbai**

**Date : 13th August, 2019**



## Annexure A

### Details of Directors seeking appointment at the Annual General Meeting:

#### Information with regard to the Directors mentioned in the resolutions as set out in this Notice

Resolution No	2	3	4	5
Name of Director	Mr Shyantanu S Chokhani	Mr Jal Thanawala	Ms Neha Dhuru	Mr Lalit Maharshi
Director Identification Number	02444142	06912221	08206406	08519212
Age	29	66	35	34
Nationality	Indian	Indian	Indian	Indian
Qualification	M.Sc (Marketing & Strategy) - UK	B.Arch	LLM	PGP (Post Graduation in Programing)
Brief profile	Mr Shyantanu has been associated with Company since 2008 initially as executive director and now in advisory capacity enabling the company in upgrading its marketing and other area of operation and Company has been able to get benefits of his qualification	Being a Architect by profession his knowledge and experience Company is able to use his knowledge for development of sections relating to building structural and other infra products	Ms Neha Dhuru being legal expert on various laws of land, and working in one of leading Solicitor her knowledge enable the Company to get advice on Company law and other related Act	
Number of Shares Held	1218200	Nil	Nil	Nil
Terms and condition of appointment / reappointment	For period of 5 years as non-executive director There is no change in the terms and conditions which were approved by the Members at the 37th AGM held on July 24, 2016.	For period of 5 years as Independent Director with effect from 22/07/2014	For period of 5 years as woman Independent Director with effect from 15/10/2018	For period of 5 years as Independent Director with effect from 25/07/2019
Remuneration sought to be paid	Sitting fee and Rs 150000 PM as a advisor on holding place of profit under section 188 of Companies Act,2013	Sitting Fees	Sitting Fees	Sitting Fees
Date of First appointment on Board	29/12/2008	22/07/2014	15/10/2018	25/07/2019





# Boards' Report

**To  
The Members,  
Sudal Industries Limited**

Your Directors have pleasure in presenting the Fortieth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2019

## FINANCIAL RESULTS

The Company's performance during the year ended 31<sup>st</sup> March, 2018 as compared to the previous financial year, is summarized below:

Particulars	(Rs. in Lakhs)	
	For the financial year ended 31st March, 2019	For the financial year ended 31st March, 2018
<b>Total Revenue</b>	<b>12654.92</b>	10839.68
<b>Earnings before interest, depreciation and tax</b>	<b>758.03</b>	573.09
Less: Interest and Finance Charges	<b>1495.58</b>	1352.30
Less: Depreciation	<b>306.32</b>	307.08
<b>Profit/(Loss) Before Taxation</b>	<b>(1043.87)</b>	(1086.29)
Less: Provisions for Current Tax	<b>0</b>	0
Less: Provision for Deferred Tax	<b>0</b>	0
Less :Provision for tax for earlier year	<b>(71.51)</b>	(10.90)
<b>Profit/(Loss) after Tax</b>	<b>(1115.38)</b>	(1097.19)
<b>Other comprehensive income</b>	<b>4.87</b>	(5.95)
<b>Total comprehensive income for the year</b>	<b>(1110.51)</b>	(1103.14)

## OPERATIONS AND RESULTS:

During the year under review price trend was upward due to increase in price at London Metal Exchange, decrease in share of Conversion along with improved demand for Aluminium products which enabled the Company to achieve increased performance both in respect of quantity and the value. However, the margin were constrained due to differential price module being followed by primary producers. Other factor being increase in other input cost and finance cost .

## DIVIDEND:

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

## TRANSFER TO RESERVES:

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

## NOTICE FROM SYNDICATE BANK

Syndicate bank have issued notice on 21/02/19 issued notice under section 13(2) of SARFAESI for recovery of dues. Within the stipulated time, Company has submitted its reply cum objection.

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

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

**DEPOSITS:**

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

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

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

**INTERNAL FINANCIAL CONTROLS:**

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

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

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

**RELATED PARTY TRANSACTIONS:**

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

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

Full particulars of loans, guarantees, investments and securities provided during the financial year under review along with the purposes for which such loans, guarantees and securities are proposed to be utilized by the recipients thereof, has been furnished in Note No. 3 and 11 which are forming part of the Financial Statements for the year ended at 31 March, 2019.

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

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

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

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

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

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

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

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



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

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

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

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

In accordance with second proviso to section 149(1) of Companies Act, 2013, the Company has appointed Ms. Neha Dhuru, a woman and independent director w.e.f 26/10/18 in place of Ms. Chaitali Salgaokar who resigned from the post of directorship.

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

Shri Jal Thanawala whose terms expires on 26th September, 2019 and he has offered himself for reappointment for further period of five years.

Shri Lalit Maheshi has been appointed as additional and independent director to hold office with effect from 25th July, 2019 till the conclusion of ensuing Annual General Meeting. The Company has received application from a member for appointment as independent director for a period of five years ending 29th September, 2024

Mr Manoj O Shah Independent director due to his pre occupation, has resigned from directorship

### **DECLARATIONS BY INDEPENDENT DIRECTORS**

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

### **DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:**

#### **a. BOARD MEETINGS:**

The Board of Directors met 5 times during the financial year ended 31st March 2018 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:

- 28<sup>th</sup> May, 2018
- 3<sup>rd</sup> July, 2018
- 13<sup>th</sup> August, 2018
- 26<sup>th</sup> October, 2018
- 14<sup>th</sup> February, 2019

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

In terms of Section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended 31 March, 2019 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 March, 2019 and of the loss of the Company for the year;

- proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts of the Company have been prepared on a going concern basis also refer to Note 30 ;
- internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**c. NOMINATION AND REMUNERATION COMMITTEE:**

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

The composition of the said Committee is as under:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent - N.E.D* (Chairman)
2	Mr. Manoj Shah	Independent - N.E.D* (Member)
3	Mr. Sudarshan Chokhani	Managing Director (Member)

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

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

- **Minimum Qualification**
- **Positive Attributes**
- **Independence**
- **Experience**

**d. AUDIT COMMITTEE:**

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

The Audit Committee comprises of:

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

\* N.E.D : Non - Executive Director

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



**e. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted the Stakeholder's Relationship Committee, comprising of:

Sr. No	Particulars	Members
1	Mr. Jal Thanawala	Independent - N.E.D* (Member)
2	Mr. Manoj Shah	Independent - N.E.D* (Member)
3	Mr. Sudarshan Chokhani	Managing Director (Chairman)

\* N.E.D : Non - Executive Director

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

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

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

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

**BUSINESS RISK MANAGEMENT:**

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

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

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

**INTERNAL CONTROL SYSTEMS:**

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

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

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

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

**AUDITORS AND REPORTS**

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

**a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019:**

The observations made by the Statutory Auditors in their report for the financial year ended 31st March, 2019 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**b. APPOINTMENT OF STATUTORY AUDITORS:**

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

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

**c. FRAUD REPORTING :**

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

**d. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED 31 MARCH 2019:**

In terms of the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, and the rules made thereunder (including any statutory enactments thereof ), the Board had appointed M/s. Rathi and Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2018-19 is appended as Annexure IV to this Report.

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

**e. COST AUDITORS:**

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

**In accordance with the said provisions and** as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 5rd July,2019 appointed M/s Hemant Shah & Associates, Cost Accountants (Firm Reg. No. 000394), as the Cost Auditors of the Company for the Financial Year 2019-20 on a remuneration of Rs 70,000 (Rupees Seventy Thousand Only) for the applicable Product Groups. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Members ratification for remuneration payable to M/s Hemant Shah & Associates, Cost Auditors is included the Notice convening the Annual General Meeting.

**OTHER DISCLOSURES:**

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

**a. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended 31st March 2019 made under the provisions of Section 92(3) of the Act is attached as Annexure V which forms part of this Report.

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

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

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

The Directors further state that pursuant to the provisions of sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013, no case pertaining to sexual harassment at work place has been reported to Company during the F.Y. 2018-19.

**d. CORPORATE SOCIAL RESPONSIBILITY POLICY:**

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social responsibility policy) Rules, 2014 were not applicable to your Company during the Financial Year 2018-19 and accordingly compliances with respect to the same were not applicable to the Company during the year under review.

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

The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. no case pertaining to sexual harassment at work place has been reported to Company during the F.Y. 2018-19.

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

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

(Rs in lacs)

Particulars	Me Sudarshan S Chokhani (Managing Director)	Mr Mukesh V Ashar (Whole Time Director)
A) Element of Remuneration Package		
Salary	42.00	6.88
Benefits	-	0.64
Bonus	-	-
Stock Option	-	-
Pension	-	-
Total	42.00	7.52
B) Fixed and variable Components		
Fixed Components	42.00	7.52
Performance Linked Incentives	0	0
C) Terms Appointment		
Service Contract	Appointed for 3 years w.e.f 01/09/2018 to 31/08/2023	Appointed for 3 years w.e.f 08/12/2017 to 07/12/2022
Notice Period	3 Months in Writing	3 Month in writing
Severance Fees	Monthly salary calculated for such number of years or pay for such number of months by which the notice falls short of the required number of months	Monthly salary calculated for such number of years or pay for such number of months by which the notice falls short of the required number of months

**ACKNOWLEDGMENTS AND APPRECIATION :**

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

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

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

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

Date: 30th May, 2019

Place: Mumbai

Sr. No.	Annexure
I	AOC- 2
II	Statement on manner of Evaluation of Board Of Directors, Committee and Individual Directors
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
IV	Form No. MR-3
V	Extract Of Annual Return
VI	Disclosure pursuant to Section 134(3)(M) of the Companies Act 2013 read with Rule 8 of the Companies (Accounts), Rules 2014
VII	Technology Absorption, Foreign Income Expenditure

## 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 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, 2019
<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	For each financial year Transaction value shall not be more than 10% of the gross turnover as on the last date of the previous financial year	For each financial year transaction value shall not be more than 10% of the gross turnover as on the last date of the previous financial year.	The Company shall pay a Lease Deposit in Lieu of Rent, at the commencement date of the lease i.e. 1 <sup>st</sup> April, 2015, which shall be receivable at the time of expiry/ termination of the lease period.	The Company shall pay a Lease Deposit in Lieu of Rent, at the commencement date of the lease i.e. 1 <sup>st</sup> April, 2015, which shall be receivable at the time of expiry / termination of the lease period.	Appointment of Mr. Shyantanu Chokhani - Non Executive Director (Son of Mr. Sudarshan S Chokhani - Managing Director of the Company) as Advisor Marketing and Business Development.
<b>Date(s) of approval by the Board, if Any</b>	At the meeting of the Board, held on 26 <sup>th</sup> May, 2015	At the meeting of the Board, held on 26 <sup>th</sup> May, 2015	At the meeting of the Board held on 26 <sup>th</sup> May, 2015	At the meeting of the Board held on 26 <sup>th</sup> May, 2015	At the meeting of the Board, held on 14 <sup>th</sup> February, 2019
<b>Amount paid as advances, if any</b>	-	-	-	-	-

**Registered Office**

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

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

Sd/-

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

Sd/-

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

Place: Mumbai

Date: 30<sup>th</sup> May, 2019



## ANNEXURE II

### STATEMENT ON MANNER OF EVALUATION OF BOARD OF DIRECTORS, COMMITTEE AND INDIVIDUAL DIRECTORS:

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

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

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

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

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

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

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

Sd/-

Sd/-

**Place: Mumbai  
Date: 30<sup>th</sup> May, 2019**

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

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

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

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

- I. Median Remuneration: Rs. 216944/- 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 2018-19, the percentage increase in remuneration of Chief Financial Officer and other Executive Director and Company Secretary during the Financial Year 2018-19.

<b>Sr. No.</b>	<b>Name of Director /KMP</b>	<b>Designation</b>	<b>Ratio of Remuneration of each Director to median remuneration of Employees</b>	<b>Percentage Increase in Remuneration</b>
1.	Mr. Sudarshan S Chokhani	Managing Director	19.44:1	NIL
2.	Mr. Mukesh V Ashar	Whole-time Director and CFO	3.00:1	NIL

- For the purpose of Calculation of median only remuneration pertaining to the employees being part of the Company for the entire financial year were considered
- Further the Ratio of Remuneration of the currently designated Company Secretary and Compliance Officer is NA

## Note:

- 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. 2018-19 there was no increase in the median remuneration of employees.
- IV. The Company has 110 permanent Employees on the rolls of Company as on 31st March, 2018.
- 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, 2019 was Rs 806.77 lakhs as compared to Rs 648.00 Lacs as on 31st March, 2019. The price-earning ratio of the Company was (-1.00) as at 31st March, 2019 and was (-1.36) at 31st March, 2018. The closing share price of the Company at BSE limited as on 31st March, 2019 being Rs 8.00 per equity share of face value of 10/- each.
- VIII. There is no increase in the salaries of employees/directors' in the financial year .
- IX. The key parameters for variable component of remuneration availed by the directors: Nil
- X. None of the employee received remuneration in excess of the highest paid Director.

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

**Registered Office**

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

**Place: Mumbai**

**Date: 30<sup>th</sup> May, 2019**

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

Sd/-

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

Sd/-

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

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

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019**

To

The Members,

**Sudal Industries Limited**

A-5, M.I.D.C. Ambad Industrial Area,  
Mumbai-Nashik Highway,  
Nashik - 422010

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by **Sudal Industries Limited** (hereinafter called "**the Company**"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 as given in the Annexure I, according to the provisions of:
  - (i) The Companies Act, 2013 ('the Act') and the rules made there under to the extent applicable;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, except to the extent of reporting with respect to Foreign Direct Investment, were not applicable to the Company under the Financial Year under report.

3. Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:
- (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (ii) SEBI (Share Based Employee Benefits) Regulations, 2014;
  - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
4. 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 generally complied with other Acts, Laws and Regulations applicable specifically to the Company viz.
- Industries (Development and Regulation) Act, 1951;
  - Factories Act, 1948;
  - Industrial Disputes Act, 1947;
  - Minimum Wages Act, 1948;
  - Payment of Wages Act, 1936;
  - Sale of Goods Act, 1930.

We have also examined compliance with the applicable clauses of the Secretarial Standards including the amended Secretarial Standards applicable with effect from 1st October, 2017 issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013;

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

**We further report that:**

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

- *Ms. Pooja Bangera (PAN: ANDPB2942G) resigned as the Company Secretary and Compliance officer of the Company with effect from 31st March, 2018. The Company did not appoint a Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 6 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year under report.*
- *Ms. Chaitali V. Salgaokar (DIN: 07762927), Independent Director resigned from the Directorship of the Company with effect from 23rd April, 2018. Ms. Neha Dhuru (DIN: 08206406), was appointed as an Independent Director with effect from 15th October, 2018 on the Board of the Company. Hence, the Company did not have proper composition with respect to having a woman director during the period from 24th April, 2018 to 14th October 2018 as required under Section 149 of the Act read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*



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  
COP No.: 2535**

**Place: Mumbai  
Date: 30th May, 2019**

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

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March 2018.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee held during the financial year under report along with respective Attendance Registers.
4. Minutes of General Body Meetings held during the financial year under report.
5. Policies framed by the Company viz.
  - Policy on Related Party Transactions;
  - Risk Management Policy;
  - Whistle Blower Policy;
  - Nomination and Remuneration Policy;
  - Archival Policy; and
  - Policy for Determination of Material Events.
6. Statutory Registers viz.
  - Register of Directors & Key Managerial Personnel and their Shareholding
  - Register of Charge (Form No. CHG-7)
  - Register of Contracts with related party and contracts and Bodies etc. in which directors are interested (Form No. MBP-4)
  - Register of Investments (Form No. MBP-3)
7. Copies of Notice, Agenda and Notes to Agenda submitted to all the directors / members for the Board Meetings and Committee Meetings as well as resolutions passed by circulation, if any.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2) and Section 149(7) of the Companies Act, 2013.
9. Intimations received from directors under the prohibition of Insider Trading Code.
10. E-Forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
11. Intimations/documents/reports/returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the financial year under report.
12. Compliance Certificate placed before the Board of Directors from time to time.
13. Details of Related Party Transactions entered into by the Company during the financial year under report.
14. Intimation given to employees of the Company for closure of trading window from time to time.
15. Details of Sitting Fees paid to all directors for attending the Board Meetings and Committees.

**ANNEXURE - II**

To

The Members

**Sudal Industries Limited**

A-5, M.I.D.C. Ambad Industrial Area,  
Mumbai-Nashik Highway,  
Nashik - 422010

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

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

**For RATHI & ASSOCIATES  
COMPANY SECRETARIES**

**Sd/-**

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

**Place: Mumbai**

**Date: 30th May, 2019**

## ANNEXURE V

## MGT 9

## EXTRACT OF ANNUAL RETURN

As on financial year ended on 31<sup>st</sup> March 2019

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

## I. REGISTRATION AND OTHER DETAILS:

CIN	:	L21541MH1979PLC021541
Registration Date	:	08/08/1979
Name of the Company	:	SUDAL INDUSTRIES LIMITED
Category / Sub-Category of the Company	:	Public Limited Company
Address of the Registered office and contact details	:	A-5, MIDC, Ambad Industrial Area, Mumbai – Nashik Highway, Nashik – 422 010, Maharashtra
Contact No.	:	0253-2382396
Whether listed company	:	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400 078. Tel No. -02225946970 Fax No: 02225946969 Email- <a href="mailto:dematremat@linkintime.co.in">dematremat@linkintime.co.in</a>

## 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	100.00

## 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

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promotoers</b>									
<b>[1]</b>	<b>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									
	<b>Sub-total(A)(1):</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>Nil</b>
<b>[2]</b>	<b>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) = (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)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
	a) Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
	b) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
	c) Alternate investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
	d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
	e) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
	f) Financial Institutions/Bank	0	50	50	0.00	0	50	50	0.00	0.00
	g) Insurance Company	0	0	0	0.00	0	0	0	0.00	0.00
	h) Provident Funds/ Pension fund	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>
(2)	Central Government/ State Government/ President of India									
	Central Government/ State Government	1391	0	1391	0.02	0	0	0	0	-0.02
	<b>Sub Total (B)(2)</b>	<b>1391</b>	<b>0</b>	<b>1391</b>	<b>0.02</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-0.02</b>

<b>(3) Non-Institutions</b>									
a) Individuals.									
i) Individual Share holders holding nominal share capital up to Rs.1Lakh	839601	581553	1421154	19.29	895285	564573	1459858	19.81	0.52.
ii) Individual share holders holding nominal share capital in excess of Rs 1 Lakhs	548723	11200	559923	7.60	547975	0	547975	7.44	0.16
b) NBFC registered with	0	0	0	0	0	0	0	0	0
d)Overseas Depositories (holding DRs)Balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
e)Any Others(Specify)									
IEPF	0	0	0	0.00	1391	0	1391	0.02	0.02
Hindu Undivided Family	100071	0	100071	1.35	90602	0	90602	1.13	-0.12
Foreign Company	325300	0	32300	4.41	325300	0	325300	4.41	0.00
Non Resident Indian (Non Repat)	8543	475	9018	0.12	8643	475	9118	0.12	0.00
Non Resident Indian ( Repat)	14872	100	14972	0.20	14793	100	14893	0.20	0.00
Clearing Member	67268	0	67268	0.91	62473	0	62473	0.90	-0.01
Bodies Corporate	225671	0	225671	3.06	213158	0	213158	2.89	-0.17
Sub Total (B) (3)	2130049	593328	2723377	36.96	2159620	565148	2724768	36.98	0.02
Total Public Shareholding									
<b>(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>2131440</b>	<b>593328</b>	<b>2724818</b>	<b>36.98</b>	<b>2159620</b>	<b>565198</b>	<b>2724818</b>	<b>36.98</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>6774440</b>	<b>593378</b>	<b>7367818</b>	<b>100.00</b>	<b>6802620</b>	<b>565198</b>	<b>7367818</b>	<b>100.00</b>	<b>0.00</b>
(C) Non - Promoter-Non Public									
(1)Custodian/DR Holder	0	0	0	0.00	0.00	0	0	0.00	0.00
(2) Employee									
Benefit Trust (Under SEBI (Share based Employee Benefit) Regulations 2014)	0	0	0	0.00	0.00	0	0	0.00	0.00
<b>Total (A)+ (B)+ (C)</b>	<b>6774440</b>	<b>533728</b>	<b>7367818</b>	<b>100</b>	<b>6802620</b>	<b>565198</b>	<b>7367818</b>	<b>100.00</b>	<b>0.00</b>

**(B) SHAREHOLDING OF PROMOTER**

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



## V CHANGE IN PROMOTERS SHARE HOLDING

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

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

SI No.	Particulars	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	REYNLDINTERNATIONAL	325300	4.41			325300	4.41
	AT THE END OF YEAR					325300	4.41
2	MADHUMILAN CREDIT CAPITAL PVT LTD	135100	1.83			135100	1.83
	AT THE END OF YEAR					135100	1.83
3	MAHENDRA GIRDHARILAL	89030	1.21			89030	1.21
	AT THE END OF YEAR					89030	1.21
4	SUMAN VINOD GOYANKA	65080	0.88			65080	0.88
	AT THE END OF YEAR					65080	0.88
5	SWASTIKA INVESTMENTLTD	41600	0.56			41600	0.56
	MARKET BUY			24/08/18	600	42200	0.57
				22.03/1	500	42700	0.58
	AT THE END OF YEAR					42700	0.58
6	KANTA KOTHARI	41000	0.56			41000	0.56
	AT THE END OF YEAR					41000	0.56
7	MANISHKUMAR SUMATILAL MEHTA	38829	0.53			38829	0.53
	AT THE END OF YEAR					38829	0.53
8	HARSHNAASHO SHAH	34902	0.47			34902	0.47
	MARKET BUY			27/04/18	231	35133	0.48
	MARKET BUY			04/05/18	50	35183	0.48
	AT THE END OF YEAR					35183	0.48
9	TAAN MAHARISHI	32900	0.45			32900	0.45
	AT THE END OF YEAR					32900	0.45
10	ASHOK MAGANLA SHAH	19450	0.26				
	MARKET BUY			02/11/18	3875	23325	0.32
	MARKET BUY			09/11/18	50	23375	0.32
	MARKET BUY			28/12/18	1400	24775	0.34
	MARKET BUY			08/02/19	1000	25775	0.35
	MARKET BUY			15/02/19	500	26275	0.36
	AT THE END OF YEAR					26275	0.6



## 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, 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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3417.52	803.24	0	4220.76
ii) Interest due but not paid	2102.68	427.22	0	2529.90
iii) Interest accrued but not due	4.94	0	0	4.94
<b>Total (i+ii+iii)</b>	<b>5525.14</b>	<b>1230.46</b>	<b>0</b>	<b>6755.60</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	1421.45	256.02	0	0
• Reduction	190.95	0	0	4.86
Net Change	1230.50	256.02	0	547.26
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3721.70	803.24	0	0
ii) Interest due but not paid	3030.53	683.24	0	2530.15
iii) Interest accrued but not due	3.41	0	0	0
<b>Total (i+ii+iii)</b>	<b>6755.64</b>	<b>1486.48</b>	<b>1486.48</b>	<b>6750.66</b>

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

Rs. in Lakhs

SI.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		SUDARSHAN S. CHOKHANI (MANAGING DIRECTOR)	MUKESH V ASHAR (WHOLE TIME DIRECTOR & CFO)	
1	Gross salary	42.00	7.52	49.52
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	42.00	7.52	49.52
(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>	42.00	7.52	49.52
	<b>Ceiling as per the Act</b>	<b>42.00</b>	<b>42.00</b>	

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

**REMUNERATION TO OTHER DIRECTORS**

SI. No.	Particulars of Remuneration	Name of Directors				Total Amount in Rs.
		Mr. Manoj Shah (Independent Director)	Mr. Jal Thanawala (Independent Director)	Mr. Shyantanu Chokhani (Non Executive Director )	Ms. Neha Dhuru (Independent Director)	
1.	Independent Directors					
	• Fee for attending board / committee meetings	24000	28500	12000	10500	75000
	• Commission	0	0	0	0	0
		0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	<b>Total (1)</b>	<b>24000</b>	<b>28500</b>	<b>12000</b>	<b>10500</b>	<b>75000</b>
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>24000</b>	<b>28500</b>	<b>12000</b>	<b>10500</b>	<b>75000</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 Lakhs)

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

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

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

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

**Registered Office**

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

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

Sd/-

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

Sd/-

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

**Place: Mumbai  
Date: 30th May, 2019**



## ANNEXURE VI

### EXTRACT OF ANNUAL RETURN

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

#### (A) CONSERVATION OF ENERGY

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

##### Measures taken to Conserve Energy

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

##### (2) Additional Investment Proposed

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

##### 3) Impact of (I) and (II) Above:

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

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

## FORM A

## Disclosure of particulars with respect to conservation of energy

Sr No.	Particulars		Current Year 2018-19	Previous Year 2017-18
<b>A</b>	<b>Power and Fuel Consumption</b>			
1.	Electricity			
A)	Purchased	(Units)	4219200	3208850
		(Total Amount `)	35577867	26007540
		(Average rate/Unit-`)	8.43	8.10
B)	Own Generation			
(i)	Through Diesel Generator	(Units)	—	—
		Units/litres of Diesel Oil	—	—
		(cost/Unit-`)	—	—
(ii)	Through Gas	(Units- Kgs)		
	(Total Amount ₹)	Cost per Kg	—	—
2.	Gas	Purchased units	443670	406950
		(Total Amount ₹)	20666482	14498058
		Cost per Kg	46.58	35.63
3.	Coal (Specify Quantity & where used)	Qty (Tons)	—	—
		(Total cost ₹)	—	—
		(Average Rate/Ton- ₹)	—	—
4.	Furnace Oil	(Quantity-Kg)	902898	599113
		Total Amount-₹)	33827951	14311979
		(Average rate/Kg-₹)	37.47	23.89
5.	Other (Internal Generation)	(Quantity)	—	—
		(Total Cost)	—	—
		(Average cost/Unit-₹)	—	—
<b>B</b>	<b>Consumption per ton of production</b>			
-	Electricity			
-	Furnace Oil	(Units)	629.06	671.60
	Aluminium Billets (For casting)	(Kgs)	95.02	98.29
	Alloy			
	Coal			
	Others (Specify)			

**(B) TECHNOLOGY ABSORPTION**

Efforts made towards technology absorption	For the year under review no new efforts were made
Benefits derived like product improvement, cost reduction, product development or import substitution	No benefits derived
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	No technology imported
Year of import	-
Whether the technology has been fully absorbed	Technical assistance for extrusion die.
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Design, manufacturing and correction. Extrusion ageing homogenizing etc., maintenance practices recommended by Reynolds, Germany have been put to practices as per the training to engineer of the Company.
Expenditure incurred on Research and Development	(₹ in Lakhs)
	Capital -
	Recurring <u>0</u>
	Total <u>0</u>
	Total R & D expenditure as a Percentage of Turnover _____ (Approx.)

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

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

**Registered Office**

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

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

Sd/-

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

Sd/-

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

**Place: Mumbai**

**Date: 30th May, 2019**

**Company : SUDAL INDUSTRIES LTD. 506003****Period:** Year 2018 to Year 2019

All Prices in ₹

Year	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* @ Spread	
										H-L	C-O
2018	11.99	17.35	9.06	10.95	82,470	262	11,80,671	80,620	97.76	8.29	-1.04
2019	4.35	8.80	4.35	8.80	72,566	120	4,77,557	72,566	100.00	4.45	4.45

\* Spread

H-L : High-Low

C-O : Close-Open

Note: Kindly download the csv file to view all records



## MANAGEMENT AND DISCUSSION ANALYSIS

Aluminium - the third most abundant element in the earth's crust finds its implementation in many sectors due to its environment and user -friendly nature - in Building and Construction (B&C), power sector, automotive, packaging, household appliances etc. The surge in the demand of this youngest metal of the non-ferrous metal industry is indicated to the escalating infrastructural development of the country. According to a recent issue of the European Journal of Business and Management, published by International Institute for Science, Technology and Education, the overall consumption of aluminium in India is projected to be about 5 million tonnes by 2015, and 10 million tonnes by 2020.

India is considered to be the fifth largest producer of aluminium in the world with a tremendous bauxite reserve of about 3 billion tonnes. While the major consumption of aluminium in India is done by the electrical (31%) and B&C sectors (13%), the future growth is envisaged to happen in the solar power and industrial sector. One is witnessing the rapid development of this industry with a phenomenal growth noticed since 2002 and the industry is posed to play a significant role in the future growth of the Indian economy.

### **Aluminium Extrusions - The Pros And Cons**

India's per capital consumption of aluminium extrusion is amongst the lowest in the world. The B&C industry which is the major consumer of aluminium extrusions in India (followed by the industrial and the transport segment) uses aluminium extrusions in prefabricated structures, windows and door frames systems, curtain walling, roofing and exterior cladding, space frame systems, geodesic domes, canopies, bridge decks, atriums, arches, etc. The popularity of aluminium formwork and shutters is also on the mount as it augments construction speed. There exists today an assortment of aluminium extrusion profiles in the market which are fabricated and are customised according to the specific requirements.

In an environment where green buildings are talk of the day, aluminium extrusions are present for a number of green solutions in buildings. This include those for Double skin curtain walling, Photo Voltaic integrated systems, thermal breaks, sun light louvers and unitized solutions.

However, there are also a number of disadvantages of the Indian aluminium extrusion industry amongst which cost remains a major issue. High operational costs (rendering the profits on the lower side), higher administrative expenses per unit of manufacturing and sale of finished products (due to the sufficient staff that needs to be employed) are a hindrance. Many agree that though quality extrusions might cost more, but they come to an advantage in the longer run since the life costs become reasonable.

One of the major uses of secondary aluminium (recycled aluminium) happens in extrusion in which case the primary metal is either imported (and processed by the secondary extruders at their own fabrication plants) or acquired through domestic producers. Since most of the domestic production is exported or is for captive consumption, the secondary players depend heavily on imported aluminium which again due to high import duties is expensive.

Technically too, the industry is witnessing some drawbacks. The smaller size of extrusion that can be manufactured technically (weight per meter and length) is an impediment where heavy, longer and big sized extrusions are required. In this regard, Hindalco will be adding a 5000 tons pressure extrusions press with 13.5 inches container size, thereby enabling bigger width & complex profiles in the country.

Also though the total capacity for aluminium extrusions in India is about 4,00,000 tonnes the industry of aluminium extrusion is highly fragmented with over 60 manufacturers of aluminium extrusions.

**THE COMPANY'S PRODUCT MIX**

During the year ,Engineering and electricals have contributed about 40%- 50% of revenue. In Coming year Company expects increase in shares from Power, Building & Construction and Auto with the initiative of Government

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Workers management relation during the year was generally cordial.

**CAUTIONERY STATEMENT**

Statement in this Management Discussion analysis Company's estimates and expectations may be based on current policies and laws prevailing. However ,the actual performance may differ from those estimated and expected.

**BY ORDER OF BOARD OF DIRECTORS  
FOR SUDAL INDUSTRIES LIITED**

**SUDARSHAN S CHOKHANI  
MANAGING DIRECTOR  
DIN NO 00243355**

**MUKESH V ASHAR  
CFO & DIRECTOR  
DIN NO 06929024**

**Place : Mumbai**

**Date : 30th May,2019**



# Independent Auditors' Report

## To The Members of Sudal Industries Limited

### Opinion

#### Report on the Audit of Financial Statements

We have audited the accompanying financial statements of Sudal Industries Limited ("the Company"), which comprises of Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year than ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

#### Material Uncertainty Related to Going Concern:

Without qualifying, we draw attention to note no. 30 to the financial statements of the Company having been prepared on a going concern basis which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has been continuously incurring losses over last several years and its net-worth stands fully eroded. These conditions indicate the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. The Banker has also issued notice under section 13(2) of SARFASIE Act, for recovery of its dues.

As explained by the management, the losses were incurred due to a recessionary trend and slackness in demand particularly in the Auto, construction and Infra industries, and therefore the Company was not able to utilize its capacity optimally. Besides, there was high volatility in Aluminum prices, it was incurring losses in the past few years. To boost these industries, several revival steps are being taken by the Government and hence the Company expects a spur in economy and demand which will enable them to increase their capacity utilization and thereby cut losses.

Accordingly, management believes that it is appropriate to prepare the financial statements on a going concern basis. Therefore, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	Auditor's response
1	<p>REPOSSESSION OF LEASE HOLD LAND AT DHULE ALLOTTED BY MIDC, DHULE IN 2011-12( carrying value Rs 387.54 Lakhs)</p> <p>Lease Hold Land allotted to the Company in 2011 by MIDC, Dhule has been re-possessed for not setting up the projects within stipulated time and have issued refund order. The Company has filed a writ petition before Aurangabad bench of Mumbai High Court for stay order against alleged re-possession. The Matter is pending for admission.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have examined the relevant copy of petition along with the order relating to re-possession and refund order issued by MIDC authority.</p> <p>We have discussed the status of possibility of obtaining stay and reversing of repossession order with the legal opinion and management's view on reversal of re-possession order.</p> <p>Based on above, we have accepted management's representation that presently no loss provision against such repossession is necessary.</p>

### Information Other than the Financial Statements and Auditor's report thereon

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report and Shareholder's information, but does not include the financial statement and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.

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

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so(Refer note 30)

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



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

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and records.
  - (c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
  - (e) On the basis of the written representation received from the directors as on March 31, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as a Directors in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- (h) With respect to the matters to be included in the Auditor's report in accordance with the rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. [Refer Note No. 29]
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Place : Mumbai**  
**Date : 30th May, 2019**

**Vinay Somani**  
**Partner**  
**Membership No: 143503**



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

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

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) According to the information and explanations given to us, the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion, is reasonable considering the size of the Company and nature of its fixed assets. As explained, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company title deeds of the immovable property are held in the name of the Company except Lease Hold land at Dhule. (Refer Note No 33)
- ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions referred in section 185 of the Act. The Company has complied with the provisions of 186 of the Act with respect to the loans and investments made.
- v) No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India, regarding the maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a) According to the information and explanations given to us and on the basis of our examination of the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service taxes and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Income Tax, Sales Tax, Service tax, Duty of Customs, Duty of Excise and Value Add Tax which have not been deposited on account of any dispute except the following

Assessment Year	Nature of Dues	Amount (Rs in Lakhs)	Forum where the dispute Is pending
2013-2014	Income Tax	133.03	Tribunal
2014-2015	Income Tax	22.31	Tribunal

- viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in repayment of principal amount of Rs. 3304.31 Lakhs and interest amount of Rs 3030.52 Lakhs for the period from Septmber,2014 to March, 2019 to bankers. Further, during the year, the Company has not taken any loans or borrowings from a financial institution or issued any debenture.

- ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year or in the recent past or has not taken term loans and hence the provision FO Para 3(ix) of the Order is not applicable.
- x) According to the information and explanation 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.
- xi) According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for the managerial remuneration in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Act.
- xii) The provisions of Nidhi Company are not applicable to the Company. Therefore, Para 3 (xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us, the provisions of Section 177 and 188 of Act, to the extent applicable, in respect of transactions with the related parties have been complied by the Company and the details have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards in Note No. 42 to the Ind AS Financial Statements.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, Para 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

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

**Place : Mumbai**  
**Date : 30th May, 2019**

**Vinay Somani**  
**Partner**  
**Membership No: 143503**



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

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

We have audited the internal financial controls over financial reporting of **Sudal Industries Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

detection of un-authorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the best of our information and according to the explanations given to us, the Company has, broadly in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential Component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place : Mumbai  
Date : 30th May, 2019**

**Vinay Somani  
Partner  
Membership No: 143503**



## Balance Sheet as at 31st March, 2019

Particulars	Note No.	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
<b>A. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2a	5,238.35	5,492.96
(b) Financial assets			
(i) Investments	3	0.08	0.08
(c) Deferred tax assets (net)	4	189.68	260.98
(d) Non-current tax assets (net)	5	70.98	61.66
(e) Other non-current assets	6	333.15	183.48
<b>Total-Non current assets</b>		<b>5,832.24</b>	<b>5,999.16</b>
<b>(2) Current assets</b>			
(a) Inventories	7	848.12	820.44
(b) Financial assets			
(i) Trade receivables	8	989.77	957.90
(ii) Cash and cash equivalents	9	227.64	15.37
(iii) Bank balances other than cash and cash equivalents	10	10.49	7.93
(iv) Other current financial assets	11	182.77	183.37
(c) Other current assets	12	10.18	16.08
<b>Total-Current assets</b>		<b>2,268.97</b>	<b>2,001.09</b>
<b>TOTAL-ASSETS</b>		<b>8,101.21</b>	<b>8,000.25</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	13a	736.78	736.78
(b) Other equity	13b	(2,507.24)	(1,396.73)
<b>Total Equity</b>		<b>(1,770.46)</b>	<b>(659.95)</b>
<b>(2) Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14	230.53	415.11
(ii) Other financial liabilities	15	599.63	585.44
(b) Provisions	16	148.63	136.23
<b>Total-Non current liabilities</b>		<b>978.79</b>	<b>1,136.78</b>
<b>(3) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	17	1,486.49	1,230.46
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	785.46	1,089.34
(iii) Other financial liabilities	19	6,525.11	5,110.02
(b) Other current liabilities	20	39.05	28.40
(c) Provisions	21	56.77	65.20
<b>Total-Current liabilities</b>		<b>8,892.88</b>	<b>7,523.42</b>
<b>TOTAL-EQUITY AND LIABILITIES</b>		<b>8,101.21</b>	<b>8,000.25</b>
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 48</b>		

As per our attached report of even date

### For Bagaria & Co. LLP

Chartered Accountants  
ICAI Firm Registration No.113447W/W-100019

### Vinay Somani

Partner  
Membership No.143503

Place: Mumbai  
Date: 30th May, 2019

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

### Sudarshan S Chokhani

Managing Director  
DIN:00243355

### Mukesh V. Ashar

CFO and Director  
DIN:06929024

## Statement of Profit and Loss for the year ended 31st March, 2019

Particulars	Note No.	For the year ended 31st March, 2019 Rs. in Lakhs	For the year ended 31st March, 2018 Rs. in Lakhs
<b>I</b> Revenue from operations	<b>22</b>	<b>12,413.31</b>	10,839.59
<b>II</b> Other income	<b>23</b>	<b>241.62</b>	0.09
<b>III Total Revenue</b>		<b>12,654.93</b>	10,839.68
<b>IV Expenses:</b>			
Cost of materials consumed	<b>24</b>	<b>10,095.41</b>	8,539.37
Changes in Inventories of Finished Goods, Work-in-Progress and stock-in-trade	<b>25</b>	<b>(41.35)</b>	(46.56)
Excise duty		-	286.39
Employee benefits expense	<b>26</b>	<b>411.77</b>	364.68
Finance costs	<b>27</b>	<b>1,495.58</b>	1,352.30
Depreciation and amortization expense	<b>2</b>	<b>306.32</b>	307.08
Other expenses	<b>28</b>	<b>1,431.07</b>	1,122.71
<b>Total Expenses</b>		<b>13,698.80</b>	11,925.97
<b>V Loss before tax</b>		<b>(1,043.87)</b>	(1,086.29)
<b>VI Tax Expense:</b>			
Current tax		-	-
Deferred tax		-	-
Taxation for earlier years		<b>71.51</b>	10.90
<b>VII Loss for the year</b>		<b>(1,115.38)</b>	(1,097.19)
<b>VIII Other comprehensive income</b>			
Items that will not be reclassified to profit or loss-			
Defined benefit plans		<b>4.87</b>	(5.95)
<b>IX Total comprehensive income for the year</b>		<b>(1,110.51)</b>	(1,103.14)
Earnings per equity share of face value of Rs. 10 each (Rs.):			
Basic & Diluted	<b>35</b>	<b>(15.14)</b>	(14.89)
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 48</b>		

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 30th May, 2019

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

**Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

CFO and Director

DIN:06929024



## Cash Flow Statement for the year ended 31st March, 2019

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Loss before tax		(1,043.87)		(1,086.29)
<b>Adjusted for:</b>				
Depreciation	306.32		307.08	
Defined benefit plans	4.87		-	
Interest Expenditure	1,495.58		1,352.30	
Loss on Sale of Fixed Assets/ Discarded	48.69	1,855.46	(0.09)	1,659.29
<b>Operating profit before working capital changes</b>		<b>811.59</b>		573.00
Adjustments for:				
Trade and Other Receivables	(31.87)		(204.00)	
Trade Payables including Advance received from customers	(275.07)		225.55	
Loans & Advances	(155.05)		(17.29)	
Inventories	(27.69)	(489.68)	(0.99)	3.27
<b>Cash generated from operations</b>		<b>321.91</b>		576.27
Direct Taxes Paid (Net)		(6.50)		(26.49)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>315.41</b>		549.78
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Purchase of Fixed Assets including CWIP & Pre-operative Expenses		(100.40)		(182.38)
Sale of Fixed Assets/Loss on discardation of assets		-		0.25
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(100.40)</b>		(182.13)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Borrowings Increase/ (Decrease) [Net]		115.46		(185.87)
Interest Paid		(118.20)		(173.46)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(2.74)</b>		(359.33)
<b>NET INCREASE / DECREASE (-) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>212.27</b>		8.32
CASH AND CASH EQUIVALENTS - OPENING BALANCE		15.37		7.05
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		<b>227.64</b>		15.37
<b>Significant Accounting Policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 48</b>			

### Notes :

- The above cash flow statement has been prepared by using the indirect method as per Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
- Cash and cash equivalents represent cash and bank balances, excludes fixed deposit and dividend account (Refer Note 10).
- Reconciliation between opening and closing balances in the balance sheet liabilities and financial assets (Refer Note 46).

As per our attached report of even date

#### For Bagaria & Co. LLP

Chartered Accountants

ICAI Firm Registration No.113447W/W-100019

#### Vinay Somani

Partner

Membership No.143503

Place: Mumbai

Date: 30th May, 2019

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

#### Sudarshan S Chokhani

Managing Director

DIN:00243355

#### Mukesh V. Ashar

CFO and Director

DIN:06929024

## Statement of changes in equity for the year ended 31st March,2019

### (a) EQUITY SHARE CAPITAL

Particulars	Notes	Rs. in Lakhs
<b>Balance as at 1st April, 2018</b>	<b>14a</b>	<b>736.78</b>
Changes in share capital during the year		
<b>Balance as at 31st March, 2019</b>	<b>14a</b>	<b>736.78</b>

### (b) OTHER EQUITY

Rs. in Lakhs

Particulars	Notes	Reserves and Surplus				Other comprehensive income - Acturial gain/(loss)	Total
		Revaluation reserve	Capital reserve	Security Premium	Retained earnings		
<b>Balance as at 1st April, 2017</b>	<b>14b</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(1,358.51)</b>	<b>10.30</b>	<b>(293.59)</b>
Loss for the year		-	-	-	(1,097.19)	-	(1,097.19)
Other comprehensive income for the year (Net)		-	-	-	-	(5.95)	(5.95)
<b>Balance as at 31st March, 2018</b>	<b>14b</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(2,455.70)</b>	<b>4.35</b>	<b>(1,396.73)</b>
Loss for the year					(1,115.38)	-	(1,115.38)
Other comprehensive income for the year (Net)		-	-	-	-	4.87	4.87
<b>Balance as at 31st March, 2019</b>	<b>14b</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(3,571.08)</b>	<b>9.22</b>	<b>(2,507.24)</b>
<b>Significant accounting policies and accompanying notes forming integral part of the financial statements</b>	<b>1 to 48</b>						

As per our attached report of even date

**For Bagaria & Co. LLP**

Chartered Accountants

Firm Registration No.113447W/W-100019

**Vinay Somani**

Partner

Membership No.143503

Place: Mumbai

Date: 30th May,2019

For and on behalf of the Board of Directors

**Sudarshan S Chokhani**

Managing Director

DIN:00243355

**Mukesh V. Ashar**

CFO and Director

DIN:06929024



## Notes to the financial statements for the year ended 31st March, 2019

### 1 Statement of Significant Accounting Policies and Practices :

#### I. Background and Operations

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

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

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

#### II. Significant accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Assets are stated at deemed cost less depreciation.

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

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

**(d) Intangible assets****Computer software**

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

**Amortisation method**

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

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

**(e) Lease****As a lessee****Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



**(f) Cash and cash equivalents**

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

**(g) Trade receivables**

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

**(h) Inventories**

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated at cost or net realisable value, whichever is lower'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'First in First Out'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

**(i) Investments and other financial assets**

**(i) Classification**

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

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

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

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

**(ii) Measurement**

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

**Debt instruments:**

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

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

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

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

**Equity instruments:**

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

**(iii) Impairment of financial assets**

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

**(j) Borrowings**

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

**(k) Borrowing costs**

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

**(l) Provisions and contingent liabilities**

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

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

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

**(m) Revenue recognition**

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

Revenue is measured at the value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, discounts, loyalty discount, value added taxes and amounts collected on behalf of third parties.

**Sale of goods**

Revenue from sale of goods is recognized when significant risks and rewards of ownership are transferred to the customers. Sales are inclusive of excise duty and packing charges recovered.

**Revenue from services**

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

**Dividend Income**

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

**Interest income**

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

**(n) Employee benefits**

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

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

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

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

**(o) Foreign currency transactions**

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

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

**(p) Income tax**

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

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

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

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

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

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

**(q) Earnings Per Share**

**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

**Diluted earnings per share**

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

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

**(r) 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.

**(s) New standards and interpretations not yet adopted**

**Ind AS 116- Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 -"Leases". Ind AS 116 will replace the existing leases standards Ind AS 17- "Leases" and related interpretations. The new standard set out the principles for the reconciliation, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor, The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01,2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**(t) Ind AS 12 - "Income taxes" - Appendix C- Uncertainty over Income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, certainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 12 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements.



## Notes to the financial statements for the year ended 31st March, 2019

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

Rs. in Lakhs

Particulars	Land		Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
<b>Gross Carrying Amount:</b>								
<b>Deemed cost as at 1st April, 2017</b>	<b>38.71</b>	<b>326.76</b>	<b>800.32</b>	<b>4,379.00</b>	<b>3.72</b>	<b>30.46</b>	<b>4.83</b>	<b>5,583.80</b>
Additions	-	233.36	-	175.07	-	4.22	2.36	415.01
Disposals	-	-	-	-	-	0.18	-	0.18
<b>Balance as at 31st March, 2018</b>	<b>38.71</b>	<b>560.12</b>	<b>800.32</b>	<b>4,554.07</b>	<b>3.72</b>	<b>34.50</b>	<b>7.19</b>	<b>5,998.63</b>
Additions	-	-	-	100.40	-	-	-	100.40
Disposals	-	-	-	56.18	-	-	-	56.18
<b>Balance as at 31st March, 2019</b>	<b>38.71</b>	<b>560.12</b>	<b>800.32</b>	<b>4,598.29</b>	<b>3.72</b>	<b>34.50</b>	<b>7.19</b>	<b>6,042.85</b>
<b>Accumulated Depreciation:</b>								
<b>Balance as at 1st April, 2017</b>	-	<b>4.44</b>	<b>32.14</b>	<b>151.95</b>	<b>0.89</b>	<b>9.33</b>	<b>0.74</b>	<b>199.49</b>
Depreciation charge for the year	-	7.01	32.14	259.07	0.63	6.74	0.67	306.26
Disposals	-	-	-	-	-	0.08	-	0.08
<b>Balance as at 31st March, 2018</b>	-	<b>11.45</b>	<b>64.28</b>	<b>411.02</b>	<b>1.52</b>	<b>15.99</b>	<b>1.41</b>	<b>505.67</b>
Depreciation charge for the year	-	7.01	32.14	260.37	0.44	5.64	0.72	306.32
Disposals	-	-	-	7.49	-	-	-	7.49
<b>Balance as at 31st March, 2019</b>	-	<b>18.46</b>	<b>96.42</b>	<b>663.90</b>	<b>1.96</b>	<b>21.63</b>	<b>2.13</b>	<b>804.50</b>
<b>Net Carrying Amount:</b>								
<b>As at 1st April, 2017</b>	<b>38.71</b>	<b>322.32</b>	<b>768.18</b>	<b>4,227.05</b>	<b>2.83</b>	<b>21.13</b>	<b>4.09</b>	<b>5,384.31</b>
<b>As at 31st March, 2018</b>	<b>38.71</b>	<b>548.67</b>	<b>736.04</b>	<b>4,143.05</b>	<b>2.20</b>	<b>18.51</b>	<b>5.78</b>	<b>5,492.96</b>
<b>As at 31st March, 2019</b>	<b>38.71</b>	<b>541.66</b>	<b>703.90</b>	<b>3,934.39</b>	<b>1.76</b>	<b>12.87</b>	<b>5.06</b>	<b>5,238.35</b>

### Note : 2B - Intangible assets

Rs. in Lakhs

Particulars	Computer Software	Total
<b>Gross Carrying Amount:</b>		
<b>Deemed cost as at 1st April, 2017</b>	-	-
Additions	0.82	0.82
Disposals	-	-
<b>Balance as at 31st March, 2018</b>	<b>0.82</b>	<b>0.82</b>
Additions	-	-
Disposals	-	-
<b>Balance as at 31st March, 2019</b>	<b>0.82</b>	<b>0.82</b>
<b>Accumulated Depreciation:</b>		
<b>Balance as at 1st April, 2017</b>	-	-
Additions	0.82	0.82
Disposals	-	-
<b>Balance as at 31st March, 2018</b>	<b>0.82</b>	<b>0.82</b>
Depreciation charge for the year	-	-
Disposals	-	-
<b>Balance as at 31st March, 2019</b>	<b>0.82</b>	<b>0.82</b>
<b>Net Carrying Amount:</b>		
<b>As at 1st April, 2017</b>	-	-
<b>As at 31st March, 2018</b>	-	-
<b>As at 31st March, 2019</b>	-	-

#### Notes :

- Refer Note 33 in respect of Lease Hold land at Dhule
- Refer Note 36 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.

## Notes to the financial statements for the year ended 31st March, 2019

### Note: 3

Non current investments	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
Equity Instruments (Long term Unquoted and valued at cost)		
100 Shares of The Jankalyan Sahakari Bank Limited @ Rs.10 each	0.01	0.01
400 Shares of Nashik Merchants Co.op.Bank Limited @ Rs.10 each	0.04	0.04
250 Shares of The Kalyan Janata Sahakari Bank Limited @ Rs.10 each	0.03	0.03
Aggregate cost of Unquoted Investments		
<b>Total</b>	<b>0.08</b>	0.08
<b>Note: 4</b>		
<b>Deferred tax asset (net)</b>		
<b>Deferred Tax Assets:</b>		
Unabsorbed losses/depreciation	1,172.26	947.54
Remeasurements of net defined benefit plans	(2.90)	(1.63)
Expenses allowable on payment and others	57.16	55.74
	<b>1,226.52</b>	1,001.65
Fixed assets (Depreciation/ amortisation)	806.56	571.90
	<b>419.96</b>	429.75
Less: Allowance for deferred tax assets not recognised	252.10	261.89
Net Deferred Tax (Assets)/Liability	<b>167.86</b>	(167.86)
MAT credit entitlement	21.82	93.12
	<b>21.82</b>	93.12
<b>Total</b>	<b>(189.68)</b>	(260.98)
<b>Note: 5</b>		
<b>Non-current tax assets (net)</b>		
Advances income tax (net)	70.98	61.66
<b>Total</b>	<b>70.98</b>	61.66
<b>Note: 6</b>		
<b>Other non-current assets</b>		
Claim receivable (Refer note no. 39)	190.00	-
Vat receivable	76.25	116.56
Octroi duty receivable	58.17	58.17
Deposit with Government/ Semi-Government Authorities	2.15	2.17
Others	6.58	6.58
<b>Total</b>	<b>333.15</b>	183.48



## Notes to the financial statements for the year ended 31st March, 2019

### Note: 7

Inventories	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
<b>(As taken, valued and certified by the Management)</b>		
Raw Materials	40.39	74.46
Work-in-process	677.83	634.86
Finished goods	47.81	49.43
Stores and spares	82.09	61.69
<b>Total</b>	<b>848.12</b>	<b>820.44</b>
Refer note no. 36 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.		
<b>Note: 8</b>		
<b>Trade receivables</b>		
Considered good - Secured	-	-
Considered good - Unsecured	1,009.48	977.45
Having significant increase in credit risk	-	-
Credit impaired	41.02	49.84
	<b>1,050.50</b>	<b>1,027.29</b>
Less : Allowance for bad and doubtful debts	<b>(60.73)</b>	<b>(69.39)</b>
<b>Total</b>	<b>989.77</b>	<b>957.90</b>
(Refer note no. 36 for Trade Receivables offered as security & note no. 43 (iii) for Currency Risk)		
<b>Note: 9</b>		
<b>Cash and cash equivalents</b>		
<b>Balances with Banks:</b>		
In Current Accounts	227.36	15.01
Cash on hand	0.28	0.36
<b>Total</b>	<b>227.64</b>	<b>15.37</b>
<b>Note: 10</b>		
<b>Bank Balances other than Cash and cash equivalents</b>		
Unpaid dividend accounts	5.49	7.92
Fixed deposits	5.00	0.01
<b>Total</b>	<b>10.49</b>	<b>7.93</b>

## Notes to the financial statements for the year ended 31st March, 2019

### Note: 11

Other current financial assets	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
<b>Unsecured, considered good</b>		
Deposits for premises to related parties	178.02	178.02
Advances to staff	4.17	4.79
Other deposits	0.58	0.56
<b>Total</b>	<b>182.77</b>	<b>183.37</b>
<b>Note: 12</b>		
<b>Other current assets</b>		
Others	10.18	16.08
<b>Total</b>	<b>10.18</b>	<b>16.08</b>
<b>Note: 13</b>		
<b>(A) Equity Share Capital</b>		
<b>Authorised</b>		
Equity shares, of Rs.10 each 7,500,000 Nos. (31st March 18 - 7,500,000 Nos.)	750.00	750.00
<b>Issued</b>		
Equity shares, of Rs.10 each 7,470,012 Nos. (31st March 18 - 7,470,012 Nos.)	747.00	747.00
<b>Subscribed and paid-up</b>		
Equity shares, of Rs.10 each, fully paid up 7,367,818 Nos. (31st March 18 - 7,367,818 Nos.)	736.78	736.78
<b>Total</b>	<b>736.78</b>	<b>736.78</b>

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No.of Shares	% held	No.of Shares	% held
1 Sudarshan Shriram Chokhani	1,533,587	20.81	1,533,587	20.81
2 Shyantanu Sudarshan Chokhani	1,218,200	16.53	1,218,200	16.53
3 Renu Sudarshan Chokhani	1,100,725	14.94	1,100,725	14.94
4 Sudal Enterprises Private Limited	790,488	10.73	790,488	10.73



## Notes to the financial statements for the year ended 31st March, 2019

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

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

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

Particulars	2018-2019 No. of Shares	2017-2018 No. of Shares	2016-2017 No. of Shares	2015-2016 No. of Shares	2014-2015 No. of Shares
<b>Balance as at the beginning of the year</b>	<b>7,367,818</b>	7,367,818	7,367,818	7,367,818	6,507,818
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
(iv) Shares bought back	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>7,367,818</b>	7,367,818	7,367,818	7,367,818	7,367,818

### (b) Other equity

#### (i) Summary of other equity balance.

Particulars	Reserves and surplus				Others- Actuarial gain/ (loss)	Total
	Revaluation reserve	Capital reserve	Security Premium	Retained earnings		
<b>Balance as at 31st March, 2018</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(2,455.70)</b>	<b>4.35</b>	<b>(1,396.73)</b>
Loss for the year	-	-	-	(1,115.38)	-	(1,115.38)
Other comprehensive income for the year	-	-	-	-	4.87	4.87
<b>Balance as at 31st March, 2019</b>	<b>274.77</b>	<b>454.85</b>	<b>325.00</b>	<b>(3,571.08)</b>	<b>9.22</b>	<b>(2,507.24)</b>

#### (ii) Nature and purpose of reserves

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

## Notes to the financial statements for the year ended 31st March, 2019

### Note: 14

Borrowings	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
<b>Secured</b>		
From Financial Institution:		
Working Capital Term Loan	230.53	414.95
From NBFC:		
Vehicle Loans	-	0.16
<b>Total</b>	<b>230.53</b>	<b>415.11</b>
(For terms and conditions - Refer note no.31)		
<b>Note: 15</b>		
<b>Other financial liabilities</b>		
Suppliers credit from related parties	599.63	585.44
<b>Total</b>	<b>599.63</b>	<b>585.44</b>
<b>Note: 16</b>		
<b>Provisions</b>		
Provision for gratuity	105.86	97.85
Provision for compensated absences	42.77	38.38
<b>Total</b>	<b>148.63</b>	<b>136.23</b>
<b>Note: 17</b>		
<b>Borrowings</b>		
<b>Unsecured:</b>		
Inter Corporate Deposits( inclusive of over due interest of Rs. 683.25 Lakhs; Previous Year Rs. 427.22 Lakhs)	1,486.49	1,230.46
<b>Total</b>	<b>1,486.49</b>	<b>1,230.46</b>
(For terms and conditions - Refer note no.31)		
<b>Note: 18</b>		
<b>Trade payables</b>		
Micro, Small and Medium Enterprises (Refer note no.37)	-	-
Acceptances	-	565.50
Others	785.46	523.84
<b>Total</b>	<b>785.46</b>	<b>1,089.34</b>



## Notes to the financial statements for the year ended 31st March, 2019

### Note: 19

<b>Other financial liabilities</b>	<b>As at 31st March, 2019 Rs. in Lakhs</b>	<b>As at 31st March, 2018 Rs. in Lakhs</b>
Secured:		
Overdue with banks		
Principal	<b>3,304.31</b>	2,810.69
Interest accrued	<b>3,030.52</b>	2,102.68
	<b>6,334.83</b>	4,913.37
Interest accrued but not due	<b>3.41</b>	4.93
Vehicle Loan	<b>2.29</b>	3.57
From Financial Institutions:		
Working Capital Term Loan	<b>184.42</b>	184.42
From NBFC		
Vehicle Loan	<b>0.16</b>	3.73
<b>Total</b>	<b>6,525.11</b>	5,110.02
(For terms and conditions - Refer note no.31)		
<b>Note: 20</b>		
<b>Other current liabilities</b>		
Unpaid Dividends#	<b>5.49</b>	7.92
Statutory dues	<b>33.56</b>	20.48
<b>Total</b>	<b>39.05</b>	28.40
# No amount is due to be credited to investor education & protection fund.		
<b>Note: 21</b>		
<b>Provisions</b>		
Provision for gratuity	<b>43.83</b>	52.15
Provision for compensated absences	<b>12.94</b>	13.05
<b>Total</b>	<b>56.77</b>	65.20

## Notes to the financial statements for the year ended 31st March, 2019

### Note: 22

Revenue from operations	For the year ended 31 March, 2019 Rs. in Lakhs	For the year ended 31st March, 2018 Rs. in Lakhs
Sale of Products		
Aluminium based products	12,139.68	10,631.99
Sale of Services - Job charges	103.86	104.02
Other Operating Income		
Sale of Scrap	169.77	103.58
<b>Total</b>	<b>12,413.31</b>	<b>10,839.59</b>
<b>Note:</b>		
As per Para 17 of IND AS 18 - Revenue recognition: the management has made provision for expected sales return of Rs. 0.49 lakhs; (previous year Rs.19.45 Lakhs) based on the past experiences.		
<b>Note: 23</b>		
<b>Other Income</b>		
Profit on disposal of fixed assets	-	0.09
Claim for refund of excess tariff charge (Refer note no.39)	190.00	-
Sundry balance/ liability no longer required written back (net)	48.19	-
Others	3.43	-
<b>Total</b>	<b>241.62</b>	<b>0.09</b>
<b>Note: 24</b>		
<b>Cost of materials consumed</b>		
Consumption of raw materials and components	10,001.53	8,442.07
Stores and spare parts consumed	93.88	97.30
<b>Total</b>	<b>10,095.41</b>	<b>8,539.37</b>
<b>Note: 25</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>Opening Stock</b>		
Finished goods	49.43	81.84
Work-in-process	634.86	564.82
	<b>684.29</b>	<b>646.66</b>
<b>Closing Stock</b>		
Finished goods	47.81	49.43
Work-in-process	677.83	634.86
	<b>725.64</b>	<b>684.29</b>
Adjustment for Provision for Excise duty on closing stock	-	(8.93)
<b>Total</b>	<b>(41.35)</b>	<b>(46.56)</b>



## Notes to the financial statements for the year ended 31st March, 2019

### Note: 26

Employee benefits expense	For the year ended 31st March, 2019 Rs. in Lakhs	For the year ended 31st March, 2018 Rs. in Lakhs
Salaries, Wages and Bonus	336.98	300.39
Contribution to Provident and other funds	30.39	32.84
Gratuity	25.58	13.75
Staff Welfare expenses	18.82	17.70
<b>Total</b>	<b>411.77</b>	<b>364.68</b>
<b>Note: 27</b>		
<b>Finance costs</b>		
Interest expenses	1,457.15	1,230.47
Other borrowing costs	38.43	121.83
<b>Total</b>	<b>1,495.58</b>	<b>1,352.30</b>
<b>Note: 28</b>		
<b>Other expenses</b>		
Power and Fuel	905.42	664.05
Labour Charges	106.41	94.51
Repairs and Maintenance Expenses:		
Repairs to building	1.82	2.26
Repairs - Others	34.20	27.75
Packing Charges	98.42	62.35
Insurance	3.43	4.32
Telephone and Postage	13.26	13.83
Travelling and Conveyance	23.31	19.75
Directors' Sitting Fees	0.75	0.80
Legal and Professional Charges	54.96	74.43
Auditors' Remuneration	9.10	8.40
Rates and Taxes	3.39	3.25
Transportation	12.29	18.53
Retainership Charges	43.56	42.78
Sundry Balance Written off	-	16.20
Loss on Sale/ Discard of Assets	48.69	-
Miscellaneous Expenses	72.06	69.50
<b>Total</b>	<b>1,431.07</b>	<b>1,122.71</b>

## Notes to the financial statements for the year ended 31st March, 2019

### Note: 29 : Contingent liabilities not provided in respect of:

Particulars	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
Disputed income tax demand for earlier assessment years	155.34	162.37

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

#### Note :

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

**30** As explained by the management, the losses were incurred due to a recessionary trend and slackness in demand particularly in the Auto, construction and Infra industries, and therefore the Company was not able to utilize its capacity optimally. Besides, there was high volatility in Aluminum prices, it was incurring losses in the past few years. To boost these industries, several revival steps are being taken by the Government and hence the Company expects a spur in economy and demand which will enable them to increase their capacity utilization and thereby cut losses.

The Company believes that it is appropriate to prepare the financial results on a going concern basis. Therefore, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and to the amounts of liabilities that might be necessary should the Company be unable to continue its operations as a going concern

#### 31 Secured Loans:

- Term Loan from Bank of Rs.471.91 Lakhs (including interest of Rs. 210.66 Lakhs) (as on 31st March, 2018 Rs.423.23 Lakhs including interest of Rs. 161.98 Lakhs ) carrying Interest of base rate plus 3.50 percent (previous year base rate plus 3.50 percent) are secured by way of hypothecation of two press and is also personally guaranteed by two directors of the Company.
- Non fund based limit utilised Rs. Nil (as on 31st March, 2018 Rs.771.19 Lakhs ) and Cash Credit Rs.3307.31 Lakhs (including interest of Rs. 2007.87 Lakhs) (as on 31st March, 2018 Rs. 2318.33 Lakhs including interest of Rs. 1018.89 Lakhs ) carrying Interest of base rate plus 4.75 percent (as on 31st March, 2018 base rate plus 4.75 percent) are secured by hypothecation of stocks and book debts and is also personally guaranteed by two directors of the Company.
- Vehicle Loan of Rs.2.45 Lakhs (Previous year Rs.7.47 Lakhs) (Interest @ 8.75%/10.25% ; previous year @ 8.75%/10.25% ) are repayable over a period of 3 years and secured by hypothecation of Vehicle purchased their against.
- Working Capital Term Loan (WCTL) from Bank of Rs. 2555.61 Lakhs (including interest of Rs. 1305.61 Lakhs) (as on 31st March, 2018 Rs.2171.80 Lakhs including interest of Rs. 921.80 Lakhs ) carrying Interest of base rate plus 5 percent (previous year base rate plus 5 percent) is secured by way of hypothecation of all stocks at factory/ consignment agents and book debts (residual value after meeting the DP for ODBD limits) and secured by 1st charge of mortgage of factory land and building and hypothecation of other fixed assets of the company unit at MIDC, Ambad, Nashik and is also personally guaranteed by the two directors of the company. Loan repayable in 36 equal monthly installment from January, 2016. Interest to be paid on monthly basis from the day one.
- Working Capital Term Loan from Financial Institution of Rs. 414.95 Lakhs (as on 31st March, 2018 Rs.599.37 Lakhs ), Interest @ 13.50%, secured by 2nd Charge of Mortgage of immoveable properties and 2nd Charge on hypothecation of all Moveable Fixed Assets, and all other Current Assets of the Company. The same is Personally Guaranteed by the Managing Director of the Company. The loan is repayable in 60 monthly installments from 1st July, 2016. Interest is payable on monthly basis.

#### Unsecured Loans:

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

- 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.
- Lease Hold Land allotted to Company in 2011 by MIDC, Dhule has been re-possessed for not setting up the projects within stipulated time and have issued refund order. The Company has filed a writ petition before Aurangabad bench of Mumbai High Court for stay order against alleged re-possession. The Matter is pending for admission. The Company expect favorable order and restore the lease right.



## Notes to the financial statements for the year ended 31st March, 2019

### Note: 34 - Auditor's Remuneration include :

Particulars	As at 31st March, 2019 Rs. in Lakhs	As at 31st March, 2018 Rs. in Lakhs
Audit Fees	4.00	3.30
Certification	4.50	4.50
Out of Pocket Expenses (excluding GST)	0.60	0.60
	<b>9.10</b>	8.40
<b>Note: 35 - Earning Per Share:</b>		
Profit as per Profit and Loss Account	<b>(1,115.38)</b>	(1,097.19)
Basic and Diluted weighted average number of Equity Shares outstanding during the year (Nos.)	<b>7,367,818</b>	7,367,818
Nominal value per Equity Shares( Rs)	<b>10</b>	10
Basic and Diluted earning per share (Rs.)	<b>(15.14)</b>	(14.89)
<b>Note : 36- Assets offered as security</b>		
The carrying amounts of assets offered as security for current and non-current borrowings are:]		
<b>Current Assets</b>		
Trade Receivables	<b>989.77</b>	957.90
Inventories	<b>848.12</b>	820.44
<b>Total Current assets offered as security</b>	<b>1,837.89</b>	1,778.34
<b>Non Current Assets</b>		
Furniture, fittings & fixtures	<b>3.72</b>	3.72
Plant & Equipments	<b>4,598.29</b>	4,554.07
Others -Land &Buildings	<b>972.89</b>	972.90
<b>Total non-current assets offered as security</b>	<b>5,574.90</b>	5,530.69
<b>Total assets offered as security</b>	<b>7,412.79</b>	7,309.03

- 37** 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.
- 38** The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and Aluminium based alloys. All of Company's operations are located in India and are subject to the same risks and returns. Therefore, no separate segment reporting is provided in terms of Ind As "Segment Reporting".
- 39** Other Income includes Rs.190 Lakhs receivable from Maharashtra State Electricity Distribution Company Limited towards excess tariff charged for earlier years.

## Notes to the financial statements for the year ended 31st March, 2019

### 40 Income Taxes

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

Rs. in Lakhs

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Current tax	-	-
Deferred tax	-	-
<b>Total income tax expense/(credit)</b>	<b>-</b>	<b>-</b>
<b>A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:</b>		
<b>Reconciliation of effective tax rate</b>		
Profit before tax	(1,043.87)	(1,086.29)
Enacted income tax rate in India	26.00%	25.75%
Computed Expected Tax Expense	(271.41)	(279.72)
<b>Tax Expense Recognised in Statement of Profit and Loss</b>	<b>(271.41)</b>	<b>(279.72)</b>
<b>Differences due to:</b>		
Allowance for deferred tax assets not recognised on losses	271.41	279.72
Total income tax expense/(credit)	-	-
<b>Deferred Tax</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Unabsorbed losses/depreciation	1,172.26	947.54
Expenses allowable on payment and others	57.15	55.74
Fixed assets (Depreciation/ amortisation)	(806.56)	(571.90)
Remeasurements of net defined benefit plans	(2.90)	(1.63)
	419.95	429.75
Allowance for deferred tax assets not recognised on losses	(252.10)	(261.89)
<b>Total</b>	<b>167.86</b>	<b>167.86</b>

#### Movement Deferred tax (assets)/liabilities for the year ended March 31, 2019 :

Rs. in Lakhs

Particulars	As at 1st April, 2018	(Credit)/charge in Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at 31st March, 2019
Unabsorbed losses/depreciation	947.54	(224.73)	-	1,172.26
Expenses allowable on payment and others	55.74	(1.41)	-	57.15
Fixed assets (Depreciation/ amortisation)	(571.90)	234.66	-	(806.56)
Remeasurements of net defined benefit plans	(1.63)	-	(1.27)	(2.90)
	429.75	8.52	(1.27)	419.95
Allowance for deferred tax assets not recognised	(261.89)	(8.52)	1.27	252.10
<b>Deferred Tax Liability/(Asset)</b>	<b>(167.86)</b>	<b>-</b>	<b>-</b>	<b>(167.86)</b>



## Notes to the financial statements for the year ended 31st March, 2019

### Movement Deferred tax (assets)/liabilities for the year ended March 31, 2018 :

Particulars	As at 1st April, 2017	(Credit)/charge in Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	As at 31st March, 2018
Unabsorbed losses/depreciation	834.38	113.16	-	947.54
Expenses allowable on payment and others	40.51	15.23	-	55.74
Fixed assets (Depreciation/ amortisation)	(619.26)	47.36	-	(571.90)
Remeasurements of net defined benefit plans	(3.18)	-	1.55	(1.63)
	252.45	175.75	1.55	429.75
Allowance for deferred tax assets not recognised	(84.59)	(175.75)	(1.55)	(261.89)
Deferred Tax Liability/(Asset)	(167.86)	-	-	(167.86)

#### 41 Post retirement benefit plans

As per Actuarial Valuation as on 31st March, 2019, 2018 and recognised in the financial statements in respect of Employee Benefit Schemes:

#### DEFINED BENEFIT PLANS(Gratuity) :

##### A. Balance Sheet Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of plan liabilities	<b>149.68</b>	150.00
Fair value of plan assets	-	-
Plan liability net of plan assets	<b>149.68</b>	150.00

## Notes to the financial statements for the year ended 31st March, 2019

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

Rs. in Lakhs

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April, 2018</b>	-	<b>150.00</b>	<b>150.00</b>
Current service cost	-	<b>6.73</b>	<b>6.73</b>
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-	-
Interest cost	-	<b>9.11</b>	<b>9.11</b>
Interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	<b>2.16</b>	<b>2.16</b>
Actuarial (gain)/loss arising from experience adjustments	-	<b>2.70</b>	<b>2.70</b>
Past service cost	-	-	-
Employer contributions	-	-	-
Benefit payments	-	<b>(21.03)</b>	<b>(21.03)</b>
<b>As at 31st March, 2019</b>	-	<b>149.68</b>	<b>149.68</b>

Rs. in Lakhs

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April, 2017</b>	-	141.25	141.25
Current service cost	-	7.23	7.23
Employee contributions	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	-	-	-
Interest cost	-	8.41	8.41
Interest income	-	-	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(3.21)	(3.21)
Actuarial (gain)/loss arising from experience adjustments	-	(2.74)	(2.74)
Past service cost	-	10.01	10.01
Employer contributions	-	-	-
Benefit payments	-	(10.95)	(10.95)
<b>As at 31st March, 2018</b>	-	150.00	150.00



## Notes to the financial statements for the year ended 31st March, 2019

### C. Statement of Profit and Loss

Rs. in Lakhs

Particulars	For the year ended 31st March, 2019 Rs. in Lakhs	For the year ended 31st March, 2018 Rs. in Lakhs
<b>Employee Benefit Expenses:</b>		
Current service cost	6.73	7.23
<b>Total</b>	<b>6.73</b>	7.23
Finance cost/(income)	9.11	8.41
<b>Net impact on the Profit / (Loss) before tax</b>	<b>15.84</b>	15.64
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	-	-
Actuarial gains/(losses) on obligation for the Period	4.87	(5.95)
Finance income/(cost)	-	-
Actuarial gains/(losses) arising from changes in demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	-	-
Actuarial (gain)/loss arising from experience adjustments	-	-
Experience gains/(losses) arising on pension plan and other	-	-
Benefit plan liabilities	-	-
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>4.87</b>	(5.95)

### D. Defined benefit plans Assets

Particulars	As at 31st March, 19	As at 31st March, 18
-	-	-

### E. Assumptions

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

The significant actuarial assumptions were as follows:

Particulars	Plan Assets	Plan liabilities
<b>Financial Assumptions</b>		
Discount rate	7.07%	7.35%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	103	108
Per Month Salary For Active Members- Rupees	15,585	14,625
Weighted Average Duration of the Projected Benefit Obligation	18.02	18.73

## Notes to the financial statements for the year ended 31st March, 2019

### Demographic Assumptions

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

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

### F. Sensitivity

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

Current Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-2.55%	2.71%
Salary Escalation Rate	0.50%	2.71%	-2.58%
Employee Turnover	10%	0.11%	-0.12%
Previous Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	-2.25%	2.39%
Salary Escalation Rate	0.50%	2.41%	-2.29%
Employee Turnover	10%	0.09%	-0.10%

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

### G. The defined benefit obligations shall mature after year end 31st March, 2019 as follows:

Year ending 31 March,	Rs. in Lakhs
2019	52.15
2020	14.14
2021	1.59
2022	21.74
2023	8.79
Thereafter	43.65

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



## Notes to the financial statements for the year ended 31st March, 2019

### 42 Related Parties Disclosures :

#### A. Relationships:

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

Sudarshan Chokhani and Company

Shriram Chokhani and Company

##### 2 Key Management Personnel:

Shri Sudarshan S. Chokhani - Managing Director

Shri Shyantanu S. Chokhani

Shri Mukesh V. Ashar - CFO & Whole time Director

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

Rs.in Lakhs

Nature of transactions	Name of related parties		Key Management personnel		
	Sudarshan Chokhani & Company	Shriram Chokhani & Company	Sudarshan S. Chokhani	Shyantanu S. Chokhani	Mukesh V. Ashar
Purchase of Aluminium Ingots/scrap	-	-			
	(60.38)	(48.28)			
Finance Charges	<b>19.85</b>	<b>50.40</b>			
	(69.00)	(44.40)			
Advisory Fees				<b>18.00</b>	
				(18.00)	
Managerial Remuneration			<b>42.00</b>		<b>7.54</b>
			(42.00)		(7.09)
Balances with related parties as on 31.03.2019:					
Payables	<b>133.19</b>	<b>466.44</b>			
	(165.41)	(420.03)			
Deposits against lease premises	<b>177.63</b>	<b>0.40</b>			
	(177.63)	(0.40)			
Counter Guarantee given by two directors to the Bank ,being jointly and severally liable			<b>6,078.24</b>		
			(6078.24)		

Previous year figures are in brackets

Notes:

- (i) Related parties have been identified by the Management and relied upon by the auditors.
- (ii) No amount has been provided for/written off/written back, pertaining to related parties.

## Notes to the financial statements for the year ended 31st March, 2019

### 43 Financial risk management objectives and policies

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

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

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

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

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

#### Exposure to interest rate risk

Particulars	Rs. in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Borrowings bearing variable rate of interest	6,755.64	6,090.63

#### Interest rate sensitivity

#### A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	Rs. in Lakhs	
	2018-2019	2017-2018
50 bp increase in interest rate - decrease in profits	(32.12)	(29.81)
50 bp decrease in interest rate - Increase in profits	32.12	29.81

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

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

#### (iii) Credit risk

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess



## Notes to the financial statements for the year ended 31st March, 2019

whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

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

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

### Ageing of Account receivables

Particulars	Rs. in Lakhs	
	As at 31st March, 2019	As at 31st March, 2018
Not due		
0-3 months	914.80	924.21
3-6 months	74.65	3.64
6 months to 12 months	0.33	43.89
beyond 12 months	40.68	36.00
Provision for Bad debts	(40.68)	(49.84)
<b>Total</b>	<b>989.77</b>	<b>957.90</b>

### Movement in provisions of doubtful debts

Particulars	Rs. in Lakhs	
	2018-2019	2017-2018
<b>Opening provision</b>	<b>49.84</b>	35.69
Add:- Additional provision made	-	14.14
Less:- Provision write off/ reversed/Utilised against Bad Debts	(9.15)	-
Add:- Additional provision made routed through Exceptional Item	-	-
Less:- Provision utilised against bad debts	-	-
<b>Closing provision</b>	<b>40.68</b>	49.84

## Notes to the financial statements for the year ended 31st March, 2019

### (iv) Liquidity Risk

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

### Financing arrangements

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

Rs. in Lakhs

Particulars	As at 31st March, 2019	As at 31st March, 2018
Variable Borrowing - Cash Credit expires within 1 year	-	-

### Maturity patterns of borrowings

Rs. in Lakhs

Particulars	As at 31st March, 2019			
	0-1 year	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	6,521.70	230.53	-	6,752.23
Short term borrowings	1,486.49	-	-	1,486.49
Interest payable- Interest Accrued but Not Due	3.41	-	-	3.41
<b>Total</b>	<b>8,011.60</b>	<b>230.53</b>	<b>-</b>	<b>8,242.13</b>

Rs. in Lakhs

Particulars	As at 31st March, 2018			
	0-1 year	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	5,105.09	415.11	-	5,520.20
Short term borrowings	1,230.46	-	-	1,230.46
Interest payable- Interest Accrued but Not Due	4.93	-	-	4.93
<b>Total</b>	<b>6,340.49</b>	<b>415.11</b>	<b>-</b>	<b>6,755.59</b>



## Notes to the financial statements for the year ended 31st March, 2019

### Maturity patterns of other Financial Liabilities

Rs. in Lakhs

As at 31st March, 2019	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	-	(842.24)	(80.89)	(314.90)	(599.63)	(1,837.66)
Payable related to Capital goods	-	-	-	-	-	-
Other Financial liability (Current and Non Current)	-	-	-	-	-	-
<b>Total</b>	-	<b>(842.24)</b>	<b>(80.89)</b>	<b>(314.90)</b>	<b>(599.63)</b>	<b>(1,837.66)</b>

Rs. in Lakhs

As at 31st March, 2018	Overdue	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payable	-	(565.50)	(283.22)	(86.88)	(585.43)	(1,521.03)
Payable related to Capital goods	-	-	-	-	-	-
Other Financial liability (Current and Non Current)	-	-	-	-	-	-
<b>Total</b>	-	<b>(565.50)</b>	<b>(283.22)</b>	<b>(86.88)</b>	<b>(585.43)</b>	<b>(1,521.03)</b>

## Notes to the financial statements for the year ended 31st March, 2019

### 44 Fair Value measurement

Financial Instrument by category and hierarchy

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

The following methods and assumptions were used to estimate the fair values:

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

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

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

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

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

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

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

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

### Financial Assets and Liabilities as at 31st March, 2019

Rs. in Lakhs

Particulars				Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Investments in Joint Venture & Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other Investment	0.08	-	0.08	-	-	-	-	-	0.08	-	0.08
Other Financial Assets	-	182.77	182.77	-	-	-	-	-	182.77	-	182.77
Trade receivable	-	989.77	989.77	-	-	-	-	-	989.77	-	989.77
Cash and cash equivalents	-	227.64	227.64	-	-	-	-	-	227.64	-	227.64
Other Bank Balance	-	10.49	10.49	-	-	-	-	-	10.49	-	10.49
	0.08	1,410.68	1,410.76	-	-	-	-	-	1,410.76	-	1,410.76
<b>Financial Liabilities</b>											
Borrowings	230.53	1,486.49	1,717.02	-	-	-	-	-	1,717.02	-	1,717.02
Other Financial Liabilities	599.63	6,525.11	7,124.74	-	-	-	-	-	7,124.74	-	7,124.74
Trade Payables	-	785.46	785.46	-	-	-	-	-	785.46	-	785.46
	830.16	8,797.06	9,627.22	-	-	-	-	-	9,627.22	-	9,627.22



## Notes to the financial statements for the year ended 31st March, 2019

### Financial Assets and Liabilities as at 31st March, 2018

Rs. in Lakhs

Particulars				Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total				
<b>Financial Assets</b>											
Investments in Joint Venture & Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other Investment	0.08	-	0.08	-	-	-	-	-	0.08	-	0.08
Other Financial Assets	-	183.37	183.37	-	-	-	-	-	183.37	-	183.37
Trade receivable	-	957.90	957.90	-	-	-	-	-	957.90	-	957.90
Cash and cash equivalents	-	15.37	15.37	-	-	-	-	-	15.37	-	15.37
Other Bank Balance	-	7.93	7.93	-	-	-	-	-	7.93	-	7.93
	0.08	1,164.57	1,164.66	-	-	-	-	-	1,164.66		1,164.66
<b>Financial Liabilities</b>											
Borrowings	415.11	1,230.46	1,645.58	-	-	-	-	-	1,645.58	-	1,645.58
Other Financial Liabilities	585.44	5,110.02	5,695.46	-	-	-	-	-	5,695.46	-	5,695.46
Trade Payables	-	1,089.34	1,089.34	-	-	-	-	-	1,089.34	-	1,089.34
	1,000.55	7,429.83	8,430.38	-	-	-	-	-	8,430.38		8,430.38

Rs. in Lakhs

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Carrying amount	Fair Value	Carrying amount	Fair Value
<b>Financial Assets</b>				
Investments in Joint Venture & Subsidiary	-	-	-	-
Non-current Investment	0.08	0.08	0.08	0.08
Other financial assets	182.77	182.77	183.37	183.37
Trade receivable	989.77	989.77	957.90	957.90
Cash and cash equivalents	227.64	227.64	15.37	15.37
	1,400.26	1,400.26	1,156.72	1,156.72
<b>Financial Liabilities</b>				
Borrowings	1,717.02	1,717.02	1,645.58	1,645.58
Other financial liabilities	7,124.74	7,124.74	5,695.46	5,695.46
Trade payables	785.46	785.46	1,089.34	1,089.34
	9,627.22	9,627.22	8,430.38	8,430.38

#### Basis of Fair Valuation:

Above financial assets and liabilities are given at carrying cost.

## Notes to the financial statements for the year ended 31st March, 2019

### 45 Capital risk management

The Company's objectives when managing capital are to

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

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

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

Rs. in Lakhs

Particulars	31st March, 2019	31st March, 2018
Net Debt	6,755.64	6,090.63
Equity	(1,770.46)	(659.95)
Total Capital Employed	4,985.18	5,430.68
Capital Gearing Ratio	1.36	1.12

### 46 Reconciliation between opening and closing balances in the balance sheet liabilities and financial assets:

Rs. in Lakhs

Particulars	As on 31st March, 2017	Cash Flow	As on 31st March, 2018	Cash Flow	As on 31st March, 2019
Short Term Borrowing	1,642.77	(2.80)	1,645.57	(71.45)	1,717.02
<b>Total</b>	<b>1,642.77</b>	<b>(2.80)</b>	<b>1,645.57</b>	<b>(71.45)</b>	<b>1,717.02</b>

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

Rs. in Lakhs

Particulars	31st March, 2019	31st March, 2018
Non current borrowings (includes current maturities of long term debt)	830.16	1,000.55
Current borrowings	6,634.22	5,161.64
Interest payable	1,377.38	1,178.84
Less: Cash and cash equivalents	(227.64)	(15.37)
<b>Net debt as 31st March, 2019</b>	<b>8,614.12</b>	<b>7,325.66</b>



## Notes to the financial statements for the year ended 31st March, 2019

Rs. In Lakhs

Particulars	Non current borrowings	Current borrowings	Interest payable	Cash and cash equivalents	Total
Net debt as at 1st April, 2018	1,000.55	5,161.64	1,178.84	(15.37)	7,325.66
Cash flows	(170.39)	293.74	-	(212.27)	(88.92)
Unrealised exchange (gain)/ loss	-	-	-	-	-
Finance Costs	-	-	1,495.58	-	1,495.58
Interest paid	-	-	(118.20)	-	(118.20)
<b>Net debt as at 31st March, 2019</b>	<b>830.16</b>	<b>5,455.38</b>	<b>2,556.22</b>	<b>(227.64)</b>	<b>8,614.12</b>

- 48 The previous year's figures have been regrouped/ rearranged wherever necessary to conform to the current year's classification.

Signatures to notes 1 to 48 which form an integral part of the financial statements.

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

**Sudarshan S. Chokhani**  
Managing Director  
(DIN : 00243355)

**Mukesh V. Ashar**  
CFO and Director  
(DIN : 06929024)

Place: Mumbai  
Date: 30th May, 2019

**Sudal Industries Limited****CIN: L21541MH1979PLC021541**

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

Tel No.: 022- 61577100 Fax No.: 022-22022893.Email id: [MVASHAR@SUDAL.CO.IN](mailto:MVASHAR@SUDAL.CO.IN)

Website: www.sudal.in CIN: L21541MH1979PLC021541

**FORM NO. MGT – 11****PROXY FORM**

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

<b>Name of the Member(s):</b>	
<b>Registered Address:</b>	
<b>Email ID:</b>	
<b>DP ID /Client Id/ Regd. Folio No.:</b>	

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

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail ID: \_\_\_\_\_  
Signature: \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40<sup>th</sup> Annual General Meeting of Sudal Industries Limited, to be held on Saturday 28th Septmber,2019 at A- 5 MIDC, Ambad Industrial Area, Mumbai Nashik Highway Nashik 422010 at 3.00 p.m. and at any adjournment thereof in respect of resolutions, as indicated below:



Resolution No.	Resolution	Type of Resolution	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
<b>Ordinary Business</b>				
1	Adoption of the Audited Financial Statement of the Company for the year ended 31 <sup>st</sup> March, 2019 together with the report of the Board of Directors and Auditors thereon	Ordinary		
2	Appointment of Director in place of Mr Shyantanu S Chokhani (Din No 02444142) who retires by rotation and being eligible offers himself for re- appointment	Ordinary		
<b>Special Business</b>				
3	Re-appointment of Mr Jal Thanawala (DIN No. 06912221), as Independent Director whose terms expires on 26/09/2019 for a period of 5(Five) Years ending 26 <sup>th</sup> September, 2024	Special		
4	Appointment of Ms. Neha Dhuru (DIN No. 08206406), a woman Independent director for a period of 5(Five) years ending on 14 <sup>th</sup> October, 2023	Ordinary		
5	Appointment of Mr. Lalit Maharshi (DIN No. 08519212), as Independent director for a period of 5(Five) years ending on 24 <sup>th</sup> July, 2024	Ordinary		
6	Ratification of Remuneration payable to Cost Auditor, ICWA, , Firm registration No 113447W/W-100019	Ordinary		

Signed this \_\_\_\_\_ day of September, 2019.

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

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

Affix  
Re. 1/-  
revenue  
stamp

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the resolutions and notes, please refer to the notice of the 40<sup>th</sup> Annual General Meeting.
3. A Proxy need not be a member of the Company.
4. A person can act as a proxy on behalf of the members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.
5. A member holding more than 10% of the total share capital carrying voting rights may appoint a single person as Proxy and such person shall not act as proxy for any other member.
6. In case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion to the vote of the other joint holders. Seniority shall be determined by the order in which the name stands in the register of members.
7. The proxy may vote for or against the agenda items specified in the Notice of Annual General Meeting.
8. \* This is optional. Please put a tick mark (✓) in appropriate column against the resolution indicated above. In case a member wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For', 'Against'. In case the member leaves the column(s) blank, the proxy will be entitled to vote in the manner he/she thinks appropriate.

**Sudal Industries Limited****CIN: L21541MH1979PLC021541**

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

Tel No.: 022- 61577100 Fax No.: 022-22022893.Email id: [MVASHAR@SUDAL.CO.IN](mailto:MVASHAR@SUDAL.CO.IN)Website: [www.sudal.in](http://www.sudal.in) CIN: L21541MH1979PLC021541**BALLOT FORM**

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

**40<sup>th</sup> Annual General Meeting ('AGM') - Saturday, 28<sup>th</sup> September, 2019**

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

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

I/We hereby exercise my/our vote in respect of the resolution(s) enumerated below and more clearly specified in the Notice of the Company dated 13<sup>th</sup> August, 2019 to be passed at the 40<sup>th</sup> AGM of the Company, for the businesses stated in the said Notice by conveying my/ our assent or dissent to the said resolutions in the relevant box below:



Resolution No.	Resolution	Type of Resolution	I/We assent to the resolution (For)*	I/We dissent to the resolution (Against)*
<b>Ordinary Business</b>				
1	Adoption of the Audited Financial Statement of the Company for the year ended 31 <sup>st</sup> March, 2019 together with the report of the Board of Directors and Auditors thereon	Ordinary		
2	Appointment of Director in place of Mr Shyantanu S Chokhani (Din No 02444142) who retires by rotation and being eligible offers himself for re- appointment	Ordinary		
<b>Special Business</b>				
3	Re-appointment of Mr Jal Thanawala (DIN No. 06912221), as Independent Director whose terms expires on 26/09/2019 for a period of 5(Five) Years ending 26 <sup>th</sup> September, 2024	Special		
4	Appointment of Ms. Neha Dhuru (DIN No. 08206406), a woman Independent director for a period of 5(Five) years ending on 14 <sup>th</sup> October, 2023	Ordinary		
5	Appointment of Mr. Lalit Maharshi (DIN No. 08519212), as Independent director for a period of 5(Five) years ending on 24 <sup>th</sup> July, 2024	Ordinary		
6	Ratification of Remuneration payable to Cost Auditor, ICWA, , Firm registration No 113447W/W-100019	Ordinary		

Place: Mumbai

Date: \_\_\_\_\_, 2019

\_\_\_\_\_  
Signature of Member / Beneficial Owner

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

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



## **M** ISSION

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

## **V** ISSION

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

## **Q** uality

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

**SUDAL INDUSTRIES LIMITED**

CIN : L21541MH1979PLC021541

BOOK POST



**SUDAL INDUSTRIES LIMITED**

**CIN : L21541MH1979PLC021541**

Corporate Office :

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

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Email: [mumbai@sudal.co.in](mailto:mumbai@sudal.co.in) / [mvashar@sudal.co.in](mailto:mvashar@sudal.co.in)