



Directors Report

To
The Members,
Sudal Industries Limited

Your Directors present the Forty Third (43rd) Annual Report of the Company together with the Audited Statement of Accounts for the year ended March 31, 2022.

FINANCIAL RESULTS:

The Company's performance during the year ended March 31, 2022 as compared to the previous Financial Year, is summarized below:

(Rs. in Lacs)

Particulars	For the financial year ended 31st March, 2022	For the financial year ended 31st March, 2021
Total Revenue	12,905.27	8,222.73
Earnings before interest, depreciation and tax	926.14	669.49
Less: Interest and Finance Charges	2072.06	1739.04
Less: Depreciation	275.98	291.39
Profit/(Loss) Before Exceptional Item and Taxation	-1421.90	-1360.98
Exceptional Item	461.19	0
Less: Provisions for Current Tax	0	0
Less: Provision for Deferred Tax	0	0
Less :Provision for tax for earlier year	0	-21.82
Profit/(Loss) after Tax	-960.71	-1382.79
Other comprehensive income	5.10	0.72
Total comprehensive income for the year	-955.61	-1382.07

OPERATIONS AND RESULTS:

During the year under review, the revenue from operation was higher by 50% from Rs. 82.22 Crore to Rs. 129.05 Crore. Even the earnings before Interest, Depreciation and Tax was higher by 33% to Rs. 9.26 Crore. However, due to finance cost which was up by 20%, compared to previous financial year, resulted in loss during the year. During the year under review the Company had arrived at one time settlement with Small Industrial Development Bank of India resulting into net waiver of Rs. 4.61 Crore reducing the net loss to Rs. 9.60 Crore compared Rs.13.82 Crore in last year.

Financial creditors of the Company have filed an application under of Insolvency and Bankruptcy Code, 2016 and matter is pending before the Forum. The Company has filed application for the proceedings under Pre-Package Insolvency Resolution Process of Insolvency and Bankruptcy Code, 2016, for resolution of settlement of dues of all the financial creditors. The proposal was approved by Members at the Extra ordinary General Meeting held on 25th February, 2022 and is in the process of arriving at acceptable proposal of settlement of dues of secured and unsecured creditors.

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

DIVIDEND:

Considering the loss in the current Financial Year and accumulated losses, the Board of Directors have not recommended any dividend for the Financial Year under review.

TRANSFER TO RESERVES:

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

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

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

DEPOSITS:

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

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

During the year under review, the Company had filed an application for initiating Pre-packaged Insolvency Resolution Process as per Section 54A (2) (g) of Insolvency and Bankruptcy Code, 2016.

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

INTERNAL FINANCIAL CONTROLS:

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

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

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

PARTICULARS OF CONTRACTS/ ARRANGEMENTS WITH RELATED PARTIES:

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

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

During the year under review, there were no loans, guarantees given and investments made and securities provided on behalf of the others. The details with respect to outstanding loans, guarantees, investments and securities has been furnished in Note No.30 which forms part of the Financial Statements for the year ended March 31, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE REPORT:

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

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

In accordance with the provisions of the Act, none of the Independent Directors are liable to retire by rotation. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Sudarshan Chokhani (DIN: 00243355), being longest in the office is liable to retire by



rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Necessary proposal for his appointment has been included in the Notice of the ensuing Annual General Meeting of the Company.

Pursuant to recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to approval of members, have reappointed Mr. Mukesh Ashar (DIN: 06929024) as the Whole-Time Director of the Company, for a period of three years with effect from December 8, 2022, to December 7, 2025. Necessary resolution for seeking approval of members for reappointment of the said Whole-Time Director is included in the notice of Annual General Meeting.

Mr. Debasis Acharya, the Chief Operating Officer of the Company was appointed as the Chief Executive Officer of the Company with effect from June 1, 2022. Apart from the appointment of Chief Executive Officer and reappointment of Whole-time Director, there were no change in the Directors and Key Managerial Personnel of the Company.

DECLARATIONS BY INDEPENDENT DIRECTORS

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

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

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

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

a. BOARD MEETINGS:

The Board of Directors met 6 times during the Financial Year ended March 31, 2022 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

The dates on which the Board of Directors met during the Financial Year under review are as under:

- May 28, 2021
- August 14, 2021
- October 06, 2021
- November 13, 2021 (adjourned and held on November 14, 2021)
- January 22, 2022
- February 14, 2022 (adjourned and held on February 23, 2022)

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

b. DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of Section 134 (5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2022 the Board of Directors hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- such accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the Financial Year ended March 31, 2022 and of the loss of the Company for that year;
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the annual accounts of the Company have been prepared on a going concern basis;
- the internal financial controls laid down have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

c. NOMINATION AND REMUNERATION COMMITTEE:

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

The composition of the said Committee as on March 31, 2022 was as under:

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

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

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

- Minimum Qualification
- Positive Attributes
- Independence
- Experience

The Policy is also available on the Company's web-site i.e. www.sudal.co.in.

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

d. AUDIT COMMITTEE:

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

The Audit Committee as on March 31, 2022 comprised of:

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

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



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

e. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year under review, pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of the Company constituted the Stakeholder's Relationship Committee, comprising of the following members as on March 31, 2022:

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

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

VIGIL MECHANISM POLICY FOR THE DIRECTORS AND EMPLOYEES:

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

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

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

BUSINESS RISK MANAGEMENT:

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

ANNUAL EVALUATION OF DIRECTORS, COMMITTEE AND BOARD:

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

INTERNAL CONTROL SYSTEMS:

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

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

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year under review has been furnished and marked as **Annexure - IV**.

AUDITORS AND REPORTS

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

a. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2022:

The observations made by the Statutory Auditors in their report for the Financial Year ended March 31, 2022 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

b. APPOINTMENT OF STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Bagaria & Co. LLP, Chartered Accountants (Firm Registration No. 113447W/W-100019), the Statutory Auditors of the Company, hold office up to the conclusion of the 43rd Annual General Meeting.

Pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force) and recommendation of the Audit Committee of the Board, Bagaria & Co. LLP, Chartered Accountants, (Firm Registration Number:113447W/W-100019) proposed to be reappointed as the Statutory Auditors of the Company to hold office for a second term of five consecutive years from the conclusion of 43rd Annual General Meeting till the conclusion of the 48th Annual General Meeting at a remuneration to be decided by the Board of Directors in consultation with the Auditors and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit. Accordingly, a resolution seeking members' approval for appointment of Bagaria & Co. LLP, Chartered Accountants is included in the Notice of the ensuing 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.

c. FRAUD REPORTING:

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

d. SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2022:

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 2021-22. Secretarial Audit Report issued by M/s Rathi and Associates in Form MR-3 for the Financial Year 2021-22 is appended as **Annexure - V** to this Report.

The observations made by the Secretarial Auditors in their report for the Financial Year ended March 31, 2022 read with the explanatory notes therein are as follows:

- a) Pursuant to Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the prior intimation to stock exchange for the Board meeting held on August 14, 2021 was not submitted within the stipulated time period.
- b) Pursuant to Regulation 33, Schedule III & BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results for the quarter ended December 31, 2021 was not submitted within the stipulated time period."

Explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013 on the observations made by the Secretarial Auditors are as follows:

As regards delay in submission of intimation and results, the same was due to technical glitches been faced by the Company in uploading the data. However, wherever the Exchanges levied the penalties as per SOPs the Company has made the payment of such fees.

e. COST AUDITORS:

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

In accordance with the said provisions and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated November 25, 2022 re-appointed M/s. Hemant Shah & Associates, Cost Accountants (Firm Reg. No. 000394),



as the Cost Auditors of the Company for the Financial Year 2022-23 on a remuneration of Rs. 80,000/- (Rupees Eighty Thousand Only) for the applicable Product Groups. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in the General Meeting for their ratification. Accordingly, a Resolution seeking members' ratification for remuneration payable to M/s. Hemant Shah & Associates, Cost Auditors is included in the Notice of the ensuing Annual General Meeting.

OTHER DISCLOSURES:

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

a. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, Extract of the Annual Return for the Financial Year ended March 31, 2022 made under the provisions of Section 92 (3) of the Act is available on the website of the Company at www.sudal.co.in under the section "Annual Return 2021-22".

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 - IV** which forms part of this Report.

c. CORPORATE SOCIAL RESPONSIBILITY POLICY:

The provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social responsibility policy) Rules, 2014 were not applicable to your Company during the Financial Year 2021-22 and accordingly compliances with respect to the same were not applicable to the Company during the year under review.

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

The Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace and has also established an Internal Complaints Committee, as stipulated by The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder. No case pertaining to sexual harassment at workplace has been reported to Company during the Financial Year 2021-22.

e. GENERAL:

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

- **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.

COMPLIANCE WITH SECRETARIAL STANDARDS:

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

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS:

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

INSOLVENCY AND BANKRUPTCY CODE, 2016:

During the year under review, the Company had filed an application for initiating Pre-packaged Insolvency Resolution Process as per Section 54A (2) (g) of Insolvency and Bankruptcy Code, 2016". The application provides for mode and methods for settlement of dues of each of the financial creditors. Further, the said application pending for admission by the NCLT.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION:

The details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof are as under:

The Company has initiated the Prepackage Insolvency Resolution process under Section 54A of IBC, on the basis of various parameters under the said Act. hence, though there is a difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions the same is not applicable since the matter is pending before the competent authority.

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

Sr. No.	Particulars	Mr. Sudarshan Chokhani (Managing Director)	Mr. Mukesh Ashar (Chief Financial Officer and Whole-Time Director)	Mr. Prasanna Ramdas (Company Secretary)
I.	Elements of remuneration			
1	Salary	4200000	708000	336000
2	Benefits	Nil	52000	Nil
3	Bonuses	Nil	35000	Nil
4	Stock Options	NA	NA	NA
5	Pension	NA	NA	NA
II.	Additional Details			
1	Details of fixed component	4200000	795000	336000
2	Details of performance linked incentives along with the performance criteria	NA	NA	NA
III.	Additional Details			
1	Service Contracts	5 Years	3 years	NA
2	Notice Period	90 days	90 days	90 days
3	Severance Fees	90 days Salary	90 days salary	90 days salary
IV.	Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	NA	NA	NA

ACKNOWLEDGMENTS AND APPRECIATION:

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

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

Sd/-
Sudarshan S Chokhani
Managing Director
DIN: 00243355

Sd/-
Mukesh V Ashar
Whole-time Director & Director
DIN: 06929024

Date: November 25, 2022
Place: Mumbai

Sr. No.	Annexure
I	Form AOC- 2
II	Management Discussion and Analysis Report
III	Statement on manner of Evaluation of Board Of Directors, Committee and Individual Directors
IV	Disclosure for ratio of remuneration of each Director to the Median Employee's Remuneration and other details as per Rule 5 of the Companies (Appointment & Remuneration) Rules, 2014
V	Form No. MR-3
VI	Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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

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

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

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

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

- Rent at the rate of Rs. 250000 PM from October, 2021 with the option for renewal right for subsequent 22 months and 10% increase in rent after end of initial period of 11 month

Registered Office

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

Date: November 25, 2022

Place: Mumbai

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

Sd/-

Sudarshan S Chokhani
Managing Director
DIN: 00243355

Sd/-

Mukesh V Ashar
CFO & DIRECTOR
DIN: 06929024

ANNEXURE – II

MANAGEMENT AND DISCUSSION ANALYSIS

Aluminium Market Size, Market Share, Application Analysis, Regional Outlook, Growth Trends, Key Players, Competitive Strategies and Forecasts, 2022 To 2030

- Aluminum is approximately 10%-40% lighter than steel. Aluminum helps the vehicle to enhanced acceleration, improved braking, and superior handling. The stiffness of aluminum offers instant and specific control. Aluminum has the capacity of energy absorption in vehicle's front and back crumple, along with the light weight property it ensures the improved safety, as it can stop at a short distances, and prevent collisions. Nearly 90% of automotive aluminum can be recycled. Aluminum acts as a fuel efficient component in vehicle, it makes the vehicle 24% lighter than those with steel components. Which in turn helps to save 15% in fuel consumption.

Aluminum market in the automotive industry was valued at US\$ 35,453.3 Mn in 2020, and is expanding at a CAGR of 7.4% from 2021 to 2029. Government regulations on fuel pricing and carbon emission reduction in developed countries are expected to be the growth drivers of aluminum materials in the automotive industry. The versatility of aluminum products and the processes used to manufacture them allow automotive designers to incorporate aluminum in a wide range of products, such as engine, transmission and driveline, heat transfer, wheels and brakes, structural components of vehicles, and others. Beyond the designing flexibility, aluminum's greatest competitive advantage rests with its ability to reduce a vehicle's weight without any loss in performance. Although the cost of aluminum compared to steel is a competitive disadvantage, the technology being developed, combined with the lifecycle economies aluminum offers can offset this factor. Aluminum usage in automotive applications has grown substantially. The global demand for aluminum has been increasing, and it is now the second most widely used metal after steel in the automotive industry.

The report titled Aluminum Market in Automotive Industry - Growth, Future Prospects and Competitive Analysis, 2021 - 2029 offers strategic insights into the aluminum market in the global automotive industry along with the market size and estimates for the duration 2019 to 2029. The said research study covers in-depth analysis of multiple market segments based on vehicle type, application, product form, and cross-sectional study across different geographies. The study covers the comparative analysis of different segments for the years 2020 & 2029. The report also provides a prolific view on market dynamics such as market drivers, trends, restraints and opportunities. The report incorporates a separate section highlighting key trends analysis of the overall automotive aluminum market.

In order to help the strategic decision makers, the report also includes profiles of the leading automotive aluminum manufacturers, their business strategies and key developments. Some of the major players profiled in the report are Alcoa Inc., Aleris International, Aluminum Corporation of China Limited, BHP Billiton Limited, Constellium NV, Kaiser Aluminum Corp., Norsk Hydro ASA, Novelis Inc., United Company Rusal Plc., Vedanta Resources Plc, and Vimetco N.V. The section further includes a brief on key strategies adopted by the major players operating in the market. Other in-depth analysis provided in the report includes:

- Current and future market trends to justify the forthcoming attractive markets within the aluminum market in the automotive industry
- Market driver, market impediments, and their impact on the market growth
- In-depth competitive environment analysis
- Trailing 2-Year market size data (2019 - 2020)
- SRC (Segment-Region-Country) Analysis

Overall, the research study provides a holistic view of the aluminum market in the automotive industry, offering market size and estimates for the period from 2021 to 2029, keeping in mind the above mentioned factors.

The SUVs and crossovers segment was the major segment of aluminum market in the automotive industry in 2020 and is projected to grow with a CAGR of 7.3% from 2021 to 2029; followed by compact cars segment, which was another major lucrative segment of aluminum market in the automotive industry in 2020. Asia Pacific and Europe are the largest market for the vehicle types and is expected to remain the largest region in forecast period. The growth is majorly driven by the rise in disposable income and a major positive shift towards average amount of spending done on automotive interiors.

Cast aluminum was the largest market segment and accounted for more than 70% of aluminum market in the automotive industry in 2020. Casting is a modest and economical method, and can be used as multipurpose in forming aluminum into



various products. The aluminum die casting process gives stronger finished parts at a minimum cost. Aluminum casting allows manufacturers to produce complex design parts for different auto parts. Aluminum casting allows manufacturers to produce parts at faster rate. The rolled aluminum segment is anticipated to grow with the highest growth rate from 2021-2029. The applications of sheet or rolled aluminum materials in the structural component of a vehicle is going to increase the demand for rolled aluminum during the forecast period 2021-2029.

Engine was the largest market segment in the automotive aluminum industry in 2020. It accounted for more than 35% of aluminum market in the automotive industry and is projected to grow at the fastest rate in 2029. Aluminum engine block significantly reduces the weight of the engine and assists the vehicle in obtaining a better power to weight ratio. Wheels and brakes is another lucrative market over the forecast period and is expected to grow at the fastest rate between 2021 and 2029. Aluminum wheels are stronger and more delicate. They are strong enough for use in cars, thereby making the vehicles easier to manage, deliver quicker response on applying the brake and accelerator.

Asia Pacific market had the largest share, accounted for more than 35% of the total aluminum market in automotive industry in 2020. Growth in Asia Pacific market is attributed to increase in production of passenger cars and light commercial vehicles in China and India. Government regulations to control CO2 emission have increased the demand for aluminum in the automotive industry. In 2020, Europe was another leading region for aluminum market in the automotive industry. Favorable regulations set by the European Union are projected to induce automobile manufacturers to use lightweight materials, such as aluminum. The automotive industry in Europe is in close cooperation with the European aluminum industry and has developed and introduced numerous innovative lightweight solutions, based on aluminum and aluminum alloys. Through the intensive use of safe and cost-efficient lightweight aluminum concepts, European vehicle manufacturers have taken technological global leadership in making passenger vehicles more lightweight.

Historical & Forecast Period

This study report represents analysis of each segment from 2020 to 2030 considering 2021 as the base year. Compounded Annual Growth Rate (CAGR) for each of the respective segments estimated for the forecast period of 2022 to 2030.

The current report comprises of quantitative market estimations for each micro market for every geographical region and qualitative market analysis such as micro and macro environment analysis, market trends, competitive intelligence, segment analysis, porters five force model, top winning strategies, top investment markets, emerging trends and technological analysis, case studies, strategic conclusions and recommendations and other key market insights.

November 25, 2022
Place: Mumbai

Sudarshan S Chokhani **Mukesh V Ashar**
Managing Director **CFO & Director**
DIN: 00243355 **DIN: 06929024**

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

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

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

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

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

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

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

Registered Office

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

Date: November 25, 2022

Place: Mumbai

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

Sd/-

Sudarshan S Chokhani
Managing Director
DIN: 00243355

Sd/-

Mukesh V Ashar
CFO & DIRECTOR
DIN: 06929024



ANNEXURE IV

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

- I. Median Remuneration: Rs. 2,20,000 Per Month
- II. Ratio of the remuneration of each Director & KMP to the median remuneration of the Employees of the Company for the Financial Year 2021-22, the percentage increase in remuneration of Director /KMP during the Financial Year 2021-22.

Sr. No.	Name of Director /KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage Increase in Remuneration
1	Mr. Sudarshan S Chokhani	Managing Director	1.90:1	
2	Mr. Mukesh V Ashar	Whole-time Director and CFO	3.21:1	10% Prorata for 8 months
3	Mr. Shyantanu Sudarshan Chokhani	Non-executive Director	NA (Non Executive Director not Drawing salary)	NA
4	Mr. Jal Thanawala	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
5	Ms. Neha Digvijay Dhuru	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
6	Mr. Lalit Maharshi	Independent Director	NA Independent Director entitled for Meeting fees for attending Board and Committee	NA
7	Mr. Prasanna Vitthal Ramdas	Company Secretary	12.5	NA

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

Note:

- The Non-Executive Directors of the Company are entitled to receive sitting fees of Rs. 3000 for attending each Board Meeting He is not appointed on any committee meeting no remuneration is payable.
- Employee for the above purpose includes all employees excluding employees covered under collective bargaining.

III. The percentage increase in the median remuneration of employees in the Financial Year:

During the F.Y. 2021-22 there was no increase in the median remuneration of employees except renewal of wage package of workers.

IV. The Company has 128 permanent Employees on the rolls of Company as on March 31, 2022.

V. Increase in remuneration depends upon factors like Company performance, benchmarking, talent availability and turnover apart from the individual performance of employees

VI. The increase in remuneration of the Key Managerial Personnel is decided on the parameters set out in the Nomination, Remuneration and Performance Evaluation Policy of the Company, which is directly linked to individual performances as well as the performance of the Business.

- VII. The market capitalization of the Company as on March 31, 2022 was Rs 438 Lakhs as compared to Rs 482 lakhs as on March 31, 2021. The price-earning ratio of the Company was -0.39 as at March 31, 2022 and was (-0.35) at March 31, 2021. The closing share price of the Company at BSE limited as on March 31, 2022 being Rs. 5.79 per equity share of face value of 10/- each.
- VIII. There is increase in the salaries of employees/directors' in the Financial Year by 10% prorata for the period of 8 Months
- IX. The key parameters for variable component of remuneration availed by the directors: Nil
- X. None of the employee received remuneration in excess of the highest paid Director.

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

Registered Office

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

Date: November 25, 2022

Place: Mumbai

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

Sd/-

Sudarshan S Chokhani
Managing Director
DIN: 00243355

Sd/-

Mukesh V Ashar
CFO & DIRECTOR
DIN: 06929024

**ANNEXURE - V****For RATHI & ASSOCIATES****COMPANY SECRETARI ANN****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 MARCH 31, 2022

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

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

Based on our verification of the Company's books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022, according to the provisions of:
 - (i) The Companies Act, 2013 ('the Act') and the rules made there under to the extent applicable;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
2. Provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder were not applicable to the Company under the Financial Year under report.
3. Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the Financial Year under report:
 - (i) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- (ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (iv) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2006 regarding the Companies Act and dealing with client;
 - (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
4. We further report that, having regard to the compliance system prevailing in the Company and based on the information provided, the Company has generally complied with other Acts, Laws and Regulations applicable specifically to the Company viz.
- Industries (Development and Regulation) Act, 1951;
 - Factories Act, 1948;
 - Industrial Disputes Act, 1947;
 - Minimum Wages Act, 1948;
 - Payment of Wages Act, 1936;
 - Sale of Goods Act, 1930.

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

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

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

- c) Pursuant to Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the prior intimation to stock exchange for the Board meeting held on August 14, 2021 was not submitted within the stipulated time period.
- d) Pursuant to Regulation 33, Schedule III & BSE Circular No. DCS/COMP/28/2016-17 dated March 30, 2017 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the financial results for the quarter ended December 31, 2021 was not submitted within the stipulated time period.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under report.

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.;

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

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



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

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

**JAYESH SHAH
PARTNER**

FCS No.: 5637

COP No.: 2535

Date: September 01, 2022

Place: Mumbai

P.R. CERTIFICATE NO. 668/2020

UDIN: F005637D000885527

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

ANNEXURE – I

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

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

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

**For RATHI & ASSOCIATES
COMPANY SECRETARIES**

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

**Date: September 01, 2022
Place: Mumbai**

**P.R. CERTIFICATE NO. 668/2020
UDIN: F005637D000885527**



ANNEXURE VI

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A. Conservation of Energy

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

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

(3) Additional Investment Proposed

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

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

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

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

FORM A

Disclosure of particulars with respect to conservation of energy

Sr No.	Particulars	Current Year 2021-22	Previous Year 2020-21
A	Power and Fuel Consumption		
B			
1.	Electricity		
A)	Purchased (Units)	3555343	3290446
	(Total Amount ₹)	31386100	29252240
	(Average rate/Unit-₹)	8.83	8.89
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	473512	283280
	(Total Amount ₹)	29135044	97580401
	Cost per Kg	61.53	34.53
3	Coal (Specify Quantity & where used) Qty (Tons)	—	—
	(Total cost ₹)	—	—
	(Average Rate/Ton- ₹)	—	—
4	Natural Pipe Gas (Quantity-Kg)	102233	—
	Total Amount-₹)	5552530	—
	(Average rate/Kg-₹)	54.32	—
5	Other (Internal Generation) (Quantity)	—	—
	(Total Cost)	—	—
	(Average cost/Unit-₹)	—	—
B	Consumption per ton of production		
-	Electricity		
-	Gas (Units)	212.45	212.45
	Aluminium Billets (For casting) (Kgs)	108.08	108.08
	Alloy		
	Coal		
	Others (Specify)		

**B.**

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

(C) Foreign exchange earnings and Outgo:

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

The Company has neither earned nor expended any amount in foreign exchange.

Registered Office

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Date: November 25, 2022

Place: Mumbai

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

Sd/-

Sudarshan S Chokhani
Managing Director
DIN: 00243355

Sd/-

Mukesh V Ashar
CFO & DIRECTOR
DIN: 06929024