



Annual Report 2018-19

S d F
INDUSTRIES LTD

Board of Directors

Mr. K.V. Viswamohan, B Com (Hons), M A (Economics), D L (Law), FCMI (London)
Chairman & Whole-time Director

Mr. M.P. Gopalakrishnan B Com , FCA - Director

Mr. RamanKutty Sunil Nair B Tech(Mech), MBA - Director

Mr. N. Muralidhar Nair, B Sc , PG in HR (I & T) - Director

Ms. Sheethal Jayendra Mehta, B Com., ACS, MIB - Director

Chief Financial Officer

Mr. Vinoo P. Stephen M Com , MBA, PGDCA

Company Secretary

Ms. Anupama R , M Com , ACS

Management

Mr. Suresh Kumar G. B.A - Chief Manager (Commercial & Production)

Mr. Shamsudhin P.H. B Sc , MBA - Sr Manager (Production)

Mr. Santhosh K B Com - Manager (Estate & Public Relations)

Mrs. Seema V Nair. M Com, DCA - Manager (Finance)

Mrs Lissy T.T - Executive (Factory)

Statutory Auditors

M/s. GGA & Associates

Chartered Accountants, Coimbatore

Secretarial Auditor

Mr. V.S. Subhash, M Com, LLB, FCS

JMACS Associates

Company Secretary in Practice

Registrar & Share Transfer Agent

M/s. Link Intime India (P) Ltd.

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup West

Mumbai - 400 078

Branch Office

M/s Link Intime India (P) Ltd.

"Surya", 35, Mayflower Avenue

Sownpalayam Road

Coimbatore - 641 028.



(CIN L15511KL1990PLC005674)

Registered Office :

"SDF House",
7/352, NH Bypass Road
Chandranagar
Palakkad - 678 007
Kerala

Factory :

"SDF Industrial Complex"
5/128, Pampadi
Thiruvilwamala
Thrissur - 680 588
Kerala

**2018 - 19
ANNUAL GENERAL MEETING**

Date : 26th September 2019

Venue : Rotary Paul Harris Hall, NH By Pass Road,
Karingarapully P O , Palakkad.

Time : 09.30 am.

<i>Contents</i>	<i>Page Nos.</i>
Notice of the Annual General Meeting	2
Directors' Report	13
Secretarial Audit Report	25
Report on Corporate Governance	28
Management Discussions & Analysis	39
Independent Auditors' Report	41
Balance Sheet	48
Statement of Profit and Loss	49
Cash Flow Statement	50
Statement of Changes in Equity	52
Notes on Financial Statements	53

NOTICE OF THE ANNUAL GENERAL MEETING

To all Members,

Notice is hereby given that the Twenty Ninth Annual General Meeting of the members of SDF Industries Limited will be held on Thursday, the 26th day of September 2019 at 9 30 a.m. at Conference Hall of Rotary Paul Harris Hall, N.H. Bye Pass Road, Karingarapully Post, Palakkad-678 559 to transact the following business

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date and the reports of the Board of Directors and Auditors thereon
2. To appoint a Director in place of Mr. K V Viswamohan (DIN: 00666339) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. To Appoint of Mrs. Sheethal Jayendra Mehta as an Independent Director, and in this regard, pass the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to provisions of Section(s) 149, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI Listing Regulations) as amended and as per the recommendations of Nomination and Remuneration Committee and the Board of Directors, Mrs. Sheethal Jayendra Mehta (Holding DIN: 08237102) who was appointed as an additional director of the Company by the Board of Directors, with effect from 17th October 2018, and who holds office upto the date of this Annual General Meeting pursuant to provisions of Section 161(1) of the Companies Act, 2013 and who has given her consent for appointment as an Independent Director of the Company and has also submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 26th September 2019 to hold office for a term of five consecutive years with effect from 26th September 2019 and that her period of

office shall not be liable to determination of retirement of directors by rotation

4. To appoint Mr. Ramankutty Sunil Nair as a Director and in this regard pass the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to the provisions of Section 160 and 161 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Ramankutty Sunil Nair, having DIN 08255774 who was appointed as an Additional Director of the Company by the Board of Directors, to hold office with effect from w.e.f. 17th October 2018 and who holds office upto the date of this Annual General Meeting in accordance with the provisions of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member signifying his intention to propose Mr. Ramankutty Sunil Nair (DIN: 08255774) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company, who shall, while holding such Office as the Director, be liable to retire by rotation

- 5 To appoint Mr. Ramankutty Sunil Nair as a Whole-time Director and in this regard pass the following resolution as an Ordinary Resolution.

RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 199, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, if any as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Ramankutty Sunil Nair, having DIN 08255774 as Whole Time Director designated as Chief operating officer of the Company for a period from 17th October 2018 to 30th September 2021 on the terms and conditions, as set out in the Explanatory Statement and shall be liable to retire by rotation

6. To re-appoint Mr. M. P. Gopalakrishnan as an Independent Director and in this regard, pass the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendations of Nomination and Remuneration Committee and Board of Directors, Mr MP Gopalakrishnan (DIN. 00721054), whose present term of office as an Independent Director expires on 28th September, 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 29th September 2019 and is not liable to retire by rotation "

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. To re-appoint Shri N Muralidhar Nair as an Independent Director and in this regard, pass the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the recommendations of Nomination and Remuneration Committee and Board of Directors, Mr N Muralidhar Nair (DIN 06811017), whose present term of office as an Independent Director expires on 28th September 2019, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulations 16(1)(b) of the SEBI Listing Regulations and is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from 29th September, 2019 and is not liable to retire by rotation

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient

to give effect to this resolution "

8. To adopt new set of articles of Association of the Company containing regulations in conformity with Companies Act, 2013 and in this regard to consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) the existing Articles of Association of the company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association as placed on the Company's website at www.sdfil.com be and is hereby approved and adopted as the Articles of Association of the Company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding

- 9 To Re-appoint Mr. K.V Viswamohan, Chairman & Whole Time Director and in this regard pass the following resolution as a Special Resolution

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr K V Viswamohan (Din. 00666339), as the Chairman & Whole Time Director of the Company, for a further period of 5 (Five) years with effect from February 1, 2020 without any remuneration and whose period of office is liable to retirement by rotation as per provisions of the Articles of Association as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and the Board of Directors at their Meeting held on 14th August, 2019

"RESOLVED FURTHER THAT pursuant to Section 196(3) read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, the

consent of the members of the Company be and is hereby accorded to continue the directorship of K V Viswamohan (Din 00666339) who will attain the age of 70 (seventy) years on February 17, 2020, as the Chairman & Whole Time Director of the Company till the expiry of his term of office."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) and / or Company Secretary of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution "

10. Contribution to bonafide charitable funds and in this regard pass the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 181 and other provisions, if any, of the Companies Act, 2013 or rules made there-under, consent of the members of the Company be and is hereby granted to the Board of Directors to contribute, donate, subscribe or otherwise provide assistance from time to time to any charitable, public, social, benevolent or general fund, society, association, Institutions, trust, organisation, not directly relating to the business of the Company or the welfare of its employees, for taking up any programme, activities of social, cultural, educational, economic, rural development of people at large and/or incur any expenditure on their behalf, upto an amount not exceeding Rs 6,00,000/- (Rupees Six Lacs only) for the financial year 2019-20 notwithstanding the fact that said amount may exceed 5% of the Company's average net profit as determined in accordance with the provisions of section 198 of the Companies Act, 2013 during the three immediately preceding Financial Years."

Notes:

1 A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of AGM. A Proxy Form for the AGM is enclosed herewith

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. In case a proxy is

proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2 Members may note that M/s GGA & Associates, Chartered Accountants, Coimbatore, (FRN: 009663S), the Statutory Auditors of the Company were appointed by the Shareholders at their Annual General Meeting (AGM) held on 27th September, 2017, to hold office for a period of 5 years till the conclusion of AGM to be held during the year 2022, subject to ratification by the shareholders at every AGM. However, the Ministry of Corporate Affairs vide notification dated 7th May 2018 has amended Section 139 of the Companies Act, 2013 by omitting the requirement of seeking ratification of the members for appointment of statutory auditors at every AGM. Accordingly, the original resolution appointing the Statutory Auditors passed by the Shareholders at their AGM held on 27th September, 2017 was amended vide an ordinary resolution approved by the Shareholders at their 28th AGM held on 26th September, 2018 and omitted the requirement for ratification of the appointment of statutory auditors by the shareholders at every AGM. Hence, no resolution is being proposed for ratification of appointment of Statutory Auditors at this 29th Annual General Meeting

3. The register of members and the share transfer book of the Company shall remain closed from 20th September 2019 (Friday) to 26th September 2019 (Thursday) (Both days inclusive)

4. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item No 3 to 10 of the Notice, is annexed hereto. Details under Secretarial Standard-2 and Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting are furnished and forms a part of the notice

5 Members holding shares in physical and electronic form are requested to notify immediately any change in their address along with respective address proof to the Company or its Registrar & Share Transfer Agent and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company/RTA

6 Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon

7. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Private Limited
8. As per Regulation 40(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 submission of a copy of PAN card of the transferor and transferee is mandatory for transfer of shares held in physical form
- 9 Pursuant to Section 72 of the Act, Members holding shares in Physical form are advised to file nomination in the prescribed form SH-13 with the Company's RTA. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant
10. Members are requested to register/update their e-mail address in respect of shares held on dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s Link Intime India Private Limited.
- 11 Members desirous of receiving any information on the accounts or operations of the Company are requested to forward his/her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
12. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from April 1st, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
13. Members proxies are requested to bring their copies of the Annual Report and Attendance Slip signed at the time of attending the meeting
- 14 Corporate Members/ Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolutions authorizing their representative to attend and vote on their behalf at the AGM.
15. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote
16. Pursuant to the provisions of Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014, 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 addresses, physical copy of the Annual Report for 2019 is being sent in the permitted mode
- 17 Notice of Annual General Meeting along with Annual Report will be send to those shareholders /beneficial owners, whose name will appear in the register of members/list of beneficiaries received from the depositories as on 23rd August 2019
- 18 Members may also note that the Notice and the Annual Report 2018-19 will be available on the Company's website, www.sdfil.in. The physical copies of the aforesaid documents will also be available at Company's registered office for inspection during normal business hours on any working day
- 19 The route map of the venue of the meeting is given in the the proxy form
20. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility of voting through electronic means ("remote e-voting") on all the resolutions set forth in this notice, through e-voting services provided by Link Intime India Pvt. Ltd.(LIPL)
- 21 The facility for physical voting through Ballot Paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to vote at the AGM through 'Ballot Paper'
22. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again
- 23 The remote e-voting period commences on Monday, 23rd Sept 2019 at 9.00 a.m and ends on Wednesday, 25th September, 2019 at 5 00 p.m During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 19th September, 2019("the cut-off date") may cast their vote electronically The remote e-voting module shall be disabled by Link Intime India Private Limited (LIPL) for voting thereafter Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently
- 24 Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies

SDF Industries Limited

(Management and Administration) Rules, 2014, the company is pleased to provide its members the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Link Intime India Private Limited (LIPL)

25. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only

26. The instructions for shareholders voting electronically are as under:

Instructions for shareholders to vote electronically:

v Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL:
<https://instavote.linkintime.co.in>

2. Click on "Login" tab, available under 'Shareholders' section.

3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on

"SUBMIT".

4. Your User ID details are given below

a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID

b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL.

<https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN*	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL

<https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA) Click on "SUBMIT".

Incase shareholder is having valid email address,

Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to

vote, provided that the company opts for e-voting platform of LIPL

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential

v Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link

9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently

11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page

v General Guidelines for shareholders:

• Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL.

<https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same

During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event"

Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel: 022 - 49186000

27. The Board of Directors of the Company has appointed M/s MDS & Associates, Practising Company Secretary, Coimbatore as Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner

28. The Scrutinizer shall immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and provide not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or in his absence, a person authorised by him in writing who shall countersign the same and declare the result of the voting forthwith

29. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sdfil.com and on the website of LIPL immediately after the result declared by the Chairman or any other person authorized by the Chairman and the same shall be communicated to BSE Limited, where the shares of the Company is listed

**BY ORDER OF THE BOARD
For SDF INDUSTRIES LIMITED**

K. V. Viswamohan
Chairman & Whole time Director
(DIN: 00666339)

Palakkad
14.08.2019

Statement pursuant to Section 102 of the Companies Act 2013

Item No: 3

The board of Directors of the Company, pursuant to the recommendations of the Nomination and Remuneration Committee has appointed, Mrs. Sheethal Jayendra Mehta (Holding DIN: 08237102) as an Additional Director (Independent and Non-Executive) with effect from 17th October 2018, in accordance with the provisions of Section 161(1) of the Companies Act 2013, Mrs. Sheethal Jayendra Mehta holds Office as a director of the Company upto the date of this Annual General Meeting. The company has received notice under Section 160 of the Companies Act, from a member proposing the candidature of, Mrs. Sheethal

SDF Industries Limited

Jayendra Mehta for the office of Independent Director
Brief profile of Mrs. Sheethal Jayendra Mehta and her other directorships has been included in this Notice

The Company has received a declaration from Mrs. Sheethal Jayendra Mehta stating that she meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In the opinion of the Board, she fulfill the conditions for appointment as an Independent Director and she is independent of the Management

The details of the Board and the Committee meetings attended by Mrs. Sheethal Jayendra Mehta have been given elsewhere in this Annual Report. Mrs. Sheethal Jayendra Mehta will not be paid any remuneration other than sitting fee for attending meetings of the Board and Committees thereof of which she is a member/ Chairperson

A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of her appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting

The board considers that her continued association would be of immense benefit to the Company and is desirable to continue to avail the services of, Mrs. Sheethal Jayendra Mehta as an Independent Director for a period of 5 consecutive years with effect from 26th September, 2019

Except, Mrs. Sheethal Jayendra Mehta, being the appointee director, none of the other directors and other Key managerial Persons of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No 3 of the Notice

Accordingly, the Board recommends the Resolution set out in Item No: 3 of the notice for the approval of the shareholders of the Company.

Item No: 4 & 5

Mr. Ramankutty Sunil Nair was appointed by Board of Directors at their meeting held on 17.10.2018 for a period of 3 years till 30th September 2021 subject to the approval of members.

Mr. Ramankutty Sunil Nair is a dynamic professional with over 25 years of rich overseas & domestic experience in Profit Centre Operations, Strategic Planning & Management and Plant Operations. He was a CEO for a palm oil refining complex in Tanzania and later a management consultant for an edible oil refinery in Mozambique. He has a wide experience in business administration

As per the recommendation of Nomination and Remuneration Committee and the approval of the audit

committee, the Board of Directors at their meeting held on 17th October, 2018 has approved and recommended his appointment for a period of 3 years with effect from 17.10.2018. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing his candidature.

Except Mr. Ramankutty Sunil Nair, none of other Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the proposed resolution as set out in the Notice

The Board now recommends to appoint him as Whole Time Director (designated as Chief Operating Officer) for a period of three years with effect from 17 October, 2018 with the following terms and conditions.

Terms and conditions of appointment

Term The tenure of the Whole Time Director (designated as Chief Operating Officer) shall be for a period from 17th October 2018 to 30th September 2021

Salary Rs 75,000/- (Rupees Seventy Five Thousand only) per month with such increments as may be determined by the Board of Directors of the Company from time to time.

Expenses: The Company will reimburse him for, or pay for, actual and reasonable travel, entertainment, driver, security, or other expenses incurred by him pursuant to or in connection with the performance of his duties

During his tenure as Whole Time Director (Designated as "Chief Operating Officer"), he shall be liable to retire by rotation and the same shall not be treated as break in the service as Whole Time Director

In the event of loss or inadequacy of profits in any financial year, the Whole Time Director (Designated as "Chief Operating Officer") shall be paid remuneration as specified above as minimum remuneration.

The particulars set out above can also be treated as Memorandum required to be circulated to every member under section 190 of the Companies Act 2013. The Board recommends the resolution for your approval

Item No: 6 & 7

As per the provisions of Sections 149, 152, 160 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Mr. MP Gopalakrishnan (DIN: 00721054) & Mr. N. Muralidhar Nair (DIN: 06811017) as Independent Directors as per the requirements of the Companies Act, 2013 at the Annual General Meeting held on 29th September 2014 to hold office upto 28th September, 2019 for a first term of five consecutive years

As per Section 149(10) of the Companies Act, 2013 ('the Act'), an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company but

shall be eligible for reappointment on passing a Special Resolution by the Company for another term of upto five consecutive years.

The above named persons have consented to their re-appointment and confirmed that they do not suffer from any disqualifications which stand in the way of their re-appointment as Independent Directors

The performance evaluation of the Independent Directors was conducted by the entire Board of Directors (excluding the Director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration inputs received from the Directors covering various aspects of the Board's functioning viz adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance

Accordingly, based on the performance evaluation of the Independent Directors, the Nomination & Remuneration Committee and the Board of Directors of the Company at their Meetings held on 14th August 2019 respectively have recommended the re-appointment of the aforesaid persons as Independent Directors for a second term of five consecutive years commencing from the dates on which their present appointments with the Company expire

During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Appointee Independent Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and not debarred from holding the office of Director by virtue of any Securities Exchange Board of India ('SEBI') order or any other such authority. The Company has received their consent to act as Independent Directors along with declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under sub-section 6 of Section 149 of the Act and as per Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) In the opinion of the Board, they fulfill the conditions for re-appointment as Independent Directors and they are independent of the Management

The brief profile of all the Appointee Independent Directors is mentioned under "Profile of Directors" forming part of this Notice and details of the remuneration paid/payable to them are provided in the Corporate Governance Report forming part of the annual report for the year 2018-2019.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 (the Act) proposing their re-appointment as Independent Directors for the second term of 5 consecutive years

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board recommends the Special Resolutions as set out in Item Nos. 6 and 7 of the Notice for approval of the Members

None of the Directors or Key Managerial Personnel of the Company and their relatives other than the concerned Independent Directors are in any way deemed to be concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 6 and 7 of the Notice

Item No: 8

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 14th August 2019 has proposed, subject to the approval of the shareholders, to adopt a new set of Articles of Association in place of and to the exclusion of the existing Articles of Association of the Company.

In terms of Section 14 of the Companies Act, 2013, the consent of the Members by way of special resolution is required for adoption of new set of Articles of Association of the Company. The Board of Directors recommends the Special Resolution as set out in Item No 8 of the Notice for the approval of the shareholders.

A copy of the draft Articles of Association of the Company is available on the website of the Company and can be viewed by the members through the web-link www.sdfil.com. Both the existing and new set of Articles of Association of the Company are available for inspection at the Registered Office of the Company during the business hours on any working day up to the date of the Annual General Meeting.

None of the Directors Key Managerial Personnel, relatives of Directors and Key Managerial Personnel of the Company is directly/ indirectly, financially or otherwise, interested in the resolution set out at Item No 8 except to the extent of their respective interest as shareholders of the Company.

Item No: 9

Mr K V Viswamohan, Chairman and Whole time Director of the Company was appointed for a period from 30.04.2017 to 31.01.2020 and his appointment is due for renewal on 01.02.2020 Mr. K.V. Viswamohan is an Ex-Investment Banker, Former Director-India Investment Fund (UK), Former Member- Consultative Committee (NRI), Ministry of Finance, Govt of India Former member of the Minimum Wages