

# SUDAL INDUSTRIES LIMITED

## BOARD OF DIRECTORS

**Shri Chaitan M. Maniar**  
– *Chairman*

**Shri Shriram C. Chokhani**  
– *Managing Director*

**Shri Sudarshan S. Chokhani**  
– *Joint Managing Director*

**Shri Shyantanu S. Chokhani**

**Shri Deokinandan Ajitsaria**

**Shri Manoj O. Shah**

**Shri Dinesh C. Shah**

## COMPANY SECRETARY

**Shri Kiran G. Inamdar**

## MANAGEMENT TEAM

**Shri Mukesh V. Ashar**  
– *Chief Financial Officer*

**Shri George Varghese**  
– *General Manager (Operations)*

**Shri Atul Y. Shukla**  
– *General Manager (Engineering)*

**Shri Rajendra M. Shah**  
– *Chief Marketing Officer*

**Shri Kishore N. Dulla**  
– *Commercial Manager*

## REGISTERED OFFICE & PLANT

A-5, M.I.D.C. Ambad Industrial Area,  
Mumbai-Nashik Highway  
Nashik – 422 010, (Maharashtra)  
Tel No. :: +91-253-6636201 / 229.  
Email :: nashik@sudal.co.in.

## CORPORATE OFFICE

26A, Nariman Bhavan,  
227, Nariman Point, Mumbai – 400 021.  
Tel No. :: +91-22-61577112.  
Email :: mumbai@sudal.co.in.

## STATUTORY AUDITORS

Lodha & Company  
Chartered Accountants,  
Karim Chambers, 40, Ambalal Doshi Marg,  
Mumbai – 400 023.

## SOLICITORS & ADVOCATES

India Law Alliance  
F-8, Laxmi Mills, Shakti Mills Lane,  
Mumbai – 400 011.

## BANKERS

Syndicate Bank,  
Nariman Point,  
Mumbai – 400 021.

## REGISTRARS AND SHARE TRANSFER AGENT

Sharepro Services (India) Private Limited,  
13 AB, Samitha Warehousing Complex,  
2nd Floor, Saki Naka Telephone Exchange Road,  
Saki Naka, Andheri (East), Mumbai – 400 072  
Tel No. :: 91-22-67720300 / 67720400.  
Fax No. :: 91-22-28591568.  
Email :: sharepro@shareproservices.com.

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## **THIRTYFIRST ANNUAL GENERAL MEETING**

**DAY** :: Saturday

**DATE** :: September 25, 2010

**TIME** :: 3 P.M.

**VENUE** :: Hotel Sai Palace, Mumbai Nashik Highway,  
CIDCO, Nashik – 422 010

## NOTICE TO MEMBERS

The **Thirtyfirst** Annual General Meeting of the members of the Company will be held at **3.00 p.m.** on **Saturday, September 25, 2010** at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik - 422 010, to transact the following business ::

### ORDINARY BUSINESS ::

1. To receive, consider, approve and adopt the Audited Balance Sheet as at and Profit and Loss Account for the year ended March 31, 2010 and the Report of the Directors' and the Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Chaitan M. Maniar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Manoj O. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors and to fix their remuneration. In this connection, to consider and, if thought fit to pass the following Resolution as Ordinary Resolution ::

**"RESOLVED THAT** Lodha & Company, Chartered Accountants, having Firm Registration No. 301051E registered with ICAI, retiring Auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of the Thirtyfirst Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, in addition to remuneration to service tax and all out of pocket expenses in connection with Audit of the accounts of the Company."

### SPECIAL BUSINESS ::

6. To consider and, if thought fit, to pass, with or without modification[s], the following resolution as Special Resolution ::  
**"RESOLVED THAT** the consent of the members of the Company be and is hereby accorded pursuant to section 293 [1] [d] and other applicable provisions of the Companies Act 1956 [including any statutory modification[s] or re-enactment thereof for the time being in force], and Articles of Association of the company to the Board of Directors of the Company to borrow any sum or sums of money from time to time, for the purposes of the business of the Company on such terms and conditions and with or without security as the Board of Directors may in its absolute discretion thinks fit, notwithstanding, that the money or monies to be borrowed together with the monies already borrowed by the Company [apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business] may exceed the aggregate Paid-up Share Capital of the Company and its free reserves {i.e. reserves not set apart for any not specific purpose[s]}, provided however that the total borrowings at any one time including the monies already borrowed over the aggregate paid up share capital of the Company and its free reserves shall not, exceed Rs. 100 Crores [Rupees One Hundred Crores] AND THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary or desirable to give effect to this resolution."

### Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2010

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

**Kiran G. Inamdar**  
*Company Secretary*

### NOTES ::

- [a] The relative Explanatory Statement pursuant to Section 173[2] of the Companies Act, 1956, in respect of the business under Item No. 6 set out above and the relevant details in respect of Item No. 3 and 4 as set out above, pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange, are annexed hereto.
- [b] **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING.**
- [c] Annual Report will not be distributed at the Annual General Meeting in view of high cost of paper and printing. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Meeting along with the Annual Report.



- [d] The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 16, 2010 to Saturday, September 25, 2010 [both days inclusive].
- [e] If dividend on shares as recommended by the Board of Directors is approved at the Annual General Meeting, the payment of such dividend will be made within thirty days to those Shareholders whose names are on the Company's Register of Members on September 25, 2010. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the end of business hours on Wednesday, September 15, 2010, as per details furnished by the Depositories for this purpose.
- [f] Members are requested to notify any change in their address ::
- [i] to their depository participants [DPs] in respect of shares held in Demat form; and
  - [ii] to the Registrar and Transfer Agent of the Company, Sharepro Services [India] Private Limited, 13 AB, Samitha Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Road, Saki Naka, Andheri [East], Mumbai – 400 072, in respect of shares held in physical form, quoting their folio numbers.
- As members are aware, equity shares of the Company are traded in electronic form for all shareholders. Members who hold share in physical form may dematerialize the same. ISIN allotted to the Company for this purpose is INE618D01015.
- As per SEBI Circular No. MRD/DOP/Cir – 05/2009 dated May 20, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore the transferee[s] is required to submit the self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
- [g] Members desirous of availing the facility of nomination in respect of shares held by them may send their nomination in the prescribed Form No. 2B duly filled in, to the Company's Registrar and Share Transfer Agent, quoting their respective folio number/s, and giving details of share certificate number/s and distinctive number of shares.
- [h] Members are requested to send their queries at least eight days prior to the date of the Meeting to the Company at Registered office to facilitate clarifications during the Meeting.

**Registered Office ::**

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

**Place :: Mumbai**

**Date :: April 29, 2010**

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

**Kiran G. Inamdar**  
*Company Secretary*

## ANNEXURE TO NOTICE

**EXPLANATORY STATEMENT pursuant to Section 173[2] of the Companies Act, 1956 setting out all the material facts pertaining to the Special Resolution.**

### ITEM NO. 6.

At the Extra Ordinary General Meeting of the Company held on March 17, 1994, the shareholders had authorised the borrowing limits for a sum not exceeding Rs. 10 Crores [Rupees Ten Crores] at any one time over the paid up share capital and free reserves of the Company. The Business operations of the Company have considerably increased thereafter. In view of the extensive growth plans including modernization of the existing plants, expansion of capacity, forward integration and other growth avenues being explored, the borrowing powers of the Board of Directors be increased over the paid up share capital and free reserves of the Company from the present Rs. 10 Crores [Rupees Ten Crores] to Rs. 100 Crores [Rupees One Hundred Crores].

None of the Directors of the Company is in anyway concerned or interested in the proposed resolution.

The Board of Directors of the Company recommend the resolution as set out for members' approval.

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE THIRTYFIRST ANNUAL GENERAL MEETING :: Item No. 3 and 4

[In pursuant to Clause 49 of the Listing Agreement]

Name of the Director	Shri Chaitan M. Maniar	Shri Manoj O. Shah
Date of Birth	December 04, 1935	August 29, 1962
Date of appointment	August 20, 1998	September 24, 2005
Director Identification Number	00034121	00453634
Qualification	M.A., B.Com., L.L.B.	B.Com., FCA
Expertise in specific Functional Areas	Solicitor	Practicing Chartered Accountant
Directorship held in other public companies	[1] Chemtax Engineering of India Limited [2] Foods & Inn Limited [3] Godfrey Phillips India Limited [4] Gujarat Ambuja Exports Limited [5] Hindalco Industries Limited [6] Indo-Euro Investment Company Limited [7] Indian Card Clothing Company Limited [8] Machine Tools [India] Limited [9] M C X of India Limited [10] M C X Stock Exchange Limited [11] Pioneer Investcorp Limited [12] TCPL Packaging Limited [13] Varun Shipping Company Limited [14] Vadilal Industries Limited	Parekh Plantation Limited
Chairmanship/Membership of Committees across other public companies, if any.	Chairman – 1 and Member – 9	Chairman – 2 and Member – 4
Relationship between Directors inter-se	Not Related to any directors of the Company	Not Related to any directors of the Company
Number of Equity Shares of Rs. 10 each held	Nil	Nil

#### Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2010

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

**Kiran G. Inamdar**  
Company Secretary

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the **Thirtyfirst Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended on March 31, 2010.

**I. FINANCIAL RESULTS ::****[Rs. in Lacs]**

Particulars	For the year ended March 31	
	2010	2009
<b>Total Income</b>	<b>7013.66</b>	7021.08
<b>Earnings before Interest, Depreciation Exceptional Income and Tax</b>	<b>953.79</b>	686.92
Interest and Finance Charges	<b>313.56</b>	243.25
Depreciation	<b>56.27</b>	47.97
Exceptional Income	—	(50.03)
<b>Profit Before Taxation</b>	<b>583.96</b>	445.73
Provision for Current Tax including Fringe Benefit Tax	<b>129.75</b>	65.34
Taxation for earlier years	<b>(5.53)</b>	—
Provision for Deferred Tax	<b>230.08</b>	(66.28)
MAT Credit	—	(55.94)
<b>Profit After Tax</b>	<b>229.66</b>	502.61
Surplus/(Deficit) brought forward from previous year	<b>77.78</b>	(424.83)
Profit available for appropriation	<b>TOTAL 307.44</b>	77.78
<b>APPROPRIATIONS::</b>		
Proposed Dividend on Equity Shares	<b>50.18</b>	—
Tax on Proposed Dividend	<b>8.53</b>	—
Surplus carried forward to next Year	<b>248.73</b>	77.78
	<b>TOTAL 307.44</b>	77.78

**OPERATIONS AND RESULTS ::**

The year under review has been a year of consolidation with your company achieving net sales of Rs. 7009.29 Lacs and EBIDT of Rs. 953.79 Lacs as compared to net sales of Rs. 7015.90 Lacs and EBIDT of Rs. 686.92 Lacs in the previous year. However due to absence of exceptional income, higher depreciation, high interest and finance charges and substantial provision for deferred tax, the profit after tax is Rs. 229.66 Lacs as compared to Rs. 502.61 Lacs in previous year. By all counts the results achieved are due to focused business approach, vigilant financial discipline and dedication by one and all at Sudal.

Sudal's main business is to manufacture aluminum extrusions in different alloys for varied user industries. Your Company is **Committed for Growth** and has accelerated its pace to enlarge more market share in this particular business as the Company is of first choice by the user industry. In Q4 2010 further steps have been envisaged for phase wise extensive growth. Plans are afoot in that direction.

**II. DIVIDEND ::**

The Board of Directors are pleased to recommend a maiden dividend of Re. 1.00 per equity share of Rs.10 each [10%] for the year ended March 31, 2010. The dividend payment on equity shares will amount to Rs. 58.71 Lacs inclusive of tax on dividend of Rs. 8.53 Lacs which will be borne by the Company. The dividend would be Tax-free in the hands of the shareholders.

**III. APPROPRIATION ::**

An amount of Rs. 248.73 Lacs is proposed to be retained in the Profit and Loss Account.

**IV. BUSINESS REVIEW ::**

The Third Extrusion press is nearing completion of commissioning and is expected to start Production from Q2 of 2010–11 which is anticipated to meet the growing demand for the varied extrusions manufactured by the Company. With the benefit of upgradation and modernisation of the existing capacity and further growth plans, the management expects substantial growth in top line and bottom line of the Company for the next year/s.

**V. CAPACITY EXPANSION ::**

The financial year 2009-2010 has been - first a year of the consolidation and second a year of inflection point from which the Company has embarked on a well chartered journey of sustained and profitable growth. Your Company has been gathering strength for extensive growth. Strength in terms of substantial increase in casting capacity, putting up a third extrusion press, strict financial discipline and concentrating on high margin products. The extensive growth plans are being formulated in area of forward and backward integration related to aluminum downstream value added products. It also covers planning for inorganic growth of the Company across the entire manufacturing chain from raw materials to finished products.

During the year under review there has been addition to gross block [including work in progress] of Rs. 310.15 Lacs. The full production benefit therefrom is expected from Q3 of the current year.

**VI. LISTING OF SHARES ::**

The Companies securities are listed on the Bombay Stock Exchange Limited, Mumbai. The listing fees for the financial year 2010-2011 have been duly paid.

**VII. PUBLIC DEPOSITS ::**

The Company has not accepted deposits from the public within the meaning of section 58A of the Companies Act, 1956 and as such no amount of principal or interest was outstanding on the date of Balance Sheet.

**VIII. CONVERSION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO ::**

Relevant information as required by section 217 [1] [e] of the Companies Act, 1956 is given in Annexure-I forming part of this report.

**IX. MANAGEMENT DISCUSSION AND ANALYSIS REPORT ::**

Pursuant to clause 49 [VI] of the Listing Agreement with the Bombay Stock Exchange, Management Discussion and Analysis Report is given in Annexure-II forming part of this Annual Report.

**X. CORPORATE GOVERNANCE ::**

In terms of Corporate Governance disclosures stipulated in clause 49 of the listing agreement with the Stock Exchange, details are provided in Annexure-III. The certificate from the Company's Auditors confirming the compliance of conditions of Corporate Governance is also annexed, forming part of this Annual Report.

A declaration in regard to compliance with the Code of Conduct by the Directors and Senior Management personnel signed by the Joint Managing Director forms part of the Annual Report.

**XI. PARTICULARS OF EMPLOYEES ::**

Information prescribed under section 217 (2A) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1968, is annexed as Point 4 of Annexure- III forming part of this Annual Report.



## XII. DIRECTORS' RESPONSIBILITY STATEMENT ::

Pursuant to section 217[2AA] of the Companies Act, 1956, the Directors confirm that ::

- [1] In the preparation of the annual accounts, the applicable accounting standards have been followed with explanatory notes relating to material departures;
- [2] Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and the Profit and Loss Account of the Company for the year ended March 31, 2010 and cash flow as on that date;
- [3] Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- [4] The annual accounts have been prepared on a going concern basis.

## XIII. DIRECTORATE ::

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Chaitan M. Maniar and Shri Manoj O. Shah retire by rotation and being eligible, offer themselves for re-appointment in terms of clause 49 of the listing Agreement with the Stock Exchange. Relevant details of the directors to be re-appointed are being provided as annexure to the notice of the Annual General Meeting.

## XIV. AUDITORS ::

M/s Lodha & Company, Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office, if re-appointed. They have given a certificate to the effect that the re-appointment, if made, would within the limits prescribed under section 224 [1B] of the Companies Act, 1956. Your Directors recommend their re-appointment.

## XV. COST AUDIT ::

Pursuant to the provisions of section 233B of the Companies Act, 1956 and on recommendation of the Audit Committee, Shri Narottam L. Tola, practicing cost accountant, has been appointed as Cost Auditor of the Company for the year 2009-10 to Conduct audit of the cost records maintained by the Company.

## XVI. ACKNOWLEDGEMENTS ::

The Directors take this opportunity to place on record their sincere appreciation for the continued trust and confidence reposed in the Company by the bankers, primary metal suppliers and other business associates, regulatory authorities, customers, vendors and shareholders. The Directors also acknowledge their appreciation for the services rendered by the officers, staff and workers of the Company at all levels for their dedicated efforts to improve the performance of the Company.

For and behalf of the Board of Directors

Place :: Mumbai  
Date :: April 29, 2010

**Chaitan M. Maniar**  
*Chairman*

## ANNEXURE - I TO THE DIRECTORS' REPORT

Information under section 217[1][e] of the Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010.

### [A] CONSERVATION OF ENERGY ::

#### (I) Measures taken to conserve energy ::

- (a) Energy efficient electrical motor of 30HP in place of 50HP motor for 50T stretcher of press 1650MT press.
- (b) Installed and commissioned 80T bailing press for bailing chips generated from billet cutting. This has reduced the melt loss.
- (c) Accurate thermocouple probes installed as LPG gas billet heater to have correct extrusion temperature and gas conservation.
- (d) New bending machine installed for bend trial of bus bars and profile correction.
- (e) New digital weighing scale installed on main gate for accurate weighment.
- (f) New spectrometer installed for metal analysis.

#### (II) Additional Investment Proposed ::

- (a) 75 HPx2 variable displacement hydraulic pumps in place of 250HP pump to conserve elect energy.
- (b) Millibar pressure, multiburner billet heating system for press 2 in place of high pressure single burner to conserve energy.
- (c) EOT crane for 1450MT and 900MT press lines for material handling.
- (d) Crane from 900MT and 1450MT press lines upto foundry.
- (e) New handling system for 1650MT and 900MT press with puller.
- (f) Cooling towers for press No. 3 and Press No. 3 quench water tank.
- (g) 1450MT press installation and commissioning.
- (h) DG set for foundry/casting purpose.
- (i) Installation and commissioning of ETP/STP for water conservation and eco friendly environment.
- (j) Fabrication and commissioning of energy efficient die oven.
- (k) 7" hot top billet casting system for improved billet quality.

#### (III) Impact of (A) and (B) Above ::

Will reduce maximum demand, electricity consumption, furnace oil consumption and improve the efficiency. Reduce cost and improve recovery and quality.



FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	Current year 2009-10	Previous year 2008-09
<b>A. Power and Fuel Consumption ::</b>		
1. Electricity		
(a) Purchased Units	43,60,342	47,88,912
Total Amount (Rs.)	2,32,31,951	2,24,20,747
Av. Rate/Unit (Rs.)	5.33	4.68
(b) Own Generation		
(i) Through Diesel Generator(Units)	–	–
Unit/Ltrs. of Diesel Oil	–	–
Costs/Units (Rs.)	–	–
(ii) Through Steam Turbine/Gas		
Unit-KWH	30,32,788	16,30,028
unit/Kg. of	0.07	0.07
Cost/Unit (Rs.)	2.78	2.95
2. Coal (Specify quality and where used)	Nil	Nil
Quantity (Tonnes)	–	–
Total Cost	–	–
Average Cost	–	–
3. Furnace Oil		
Quantity (Ltrs.)	6,55,270	9,40,940
Total Amount (Rs.)	1,49,96,476	2,27,01,422
Average Rate (Rs./Ltr.)	22.89	24.13
4. Other (Internal Generation)	Nil	Nil
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
<b>B. Consumption per ton of production ::</b>		
Electricity (Units)	931.34	1,246.58
Furnace Oil (Ltrs.) (for casting)		
Aluminium Billets	106.87	168.67
Alloy	–	–
Coal (Specify Quality)	Nil	Nil
Others (Specify)	Nil	Nil

**[B] TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION ::**

1. Efforts in brief made towards below absorption, adaptation and innovation. :: As 1, 2, & 3 as below
2. Benefit derived as a result of the above efforts i.e. Product improvement, Cost reduction, Product development, import substitution etc. :: Already achieved partly & balance is in progress.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information to be furnished.
  - (a) Technology imported :: No Technology Imported
  - (b) Year of import :: —
  - (c) Has technology been fully absorbed :: Technical assistance for extrusion Die
  - (d) If not fully absorbed areas where this has not been taken place, reason therefore and future plans of action. :: Design, manufacturing and correction, extr. ageing, homogenizing etc., maintenance practices recommended by Reynolds, Germany have been put to practice as per the training to Engineers of the Company.

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION OF RESEARCH AND DEVELOPMENT (R&D) ::**

1. Specific area in which R&D carried out by the Company :: 7" Hot top casting system
2. Benefit derived as a :: (i) Improved Billet Quality.  
(ii) Increase in input rate.  
(iii) Minimised rejection percentage.
3. Future plan of action :: (i) Use of LPG instead of Electricity for homogenising furnace.  
(ii) Use HP pump motor to reduce electrical consumption
4. Expenditure in R & D :: [Amount in Rupees]
 

Capital	—
Recurring	2,03,371
<b>TOTAL</b>	<u>2,03,371</u>

Total R & D expenditure as a percentage of turnover  
0.03 % (Approx.)

**[C] FOREIGN EXCHANGE EARNINGS & OUTGO ::**

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

The required information in respect of foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended 31st March, 2010.

For and behalf of the Board of Directors

**Place :: Mumbai**  
**Date :: April 29, 2010**

**Chaitan M. Maniar**  
*Chairman*

**ANNEXURE - II TO THE DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS**

We submit herewith the Management Discussion and Analysis Report on the Company's business for the year ended March 31, 2010. We have attempted to include discussion on all specified matters to the extent relevant, or within limits that in our opinion are imposed by the Company's competitive position.

**1. INDUSTRY STRUCTURE ::**

In 2009-2010 the world economy has witnessed growth less than 3% due to the spill over effect of the global financial crises of 2008-2009. Even if the worse is over, though nobody makes positive assurances, much uncertainty remains about the recovery's nature and pace due to emerging unknown behavioral pattern and economic effects. The entire global economic scenario has made business more challenging in terms of precise forecast and planning, timely execution and driving down the manufacturing costs.

During the year under review the Indian economy recorded a lower growth rate of 6.75% as compared to average of 8% in the previous three years. Due to the various financial stimuli announced by the government to revive growth, interest rates have progressively been lowered and liquidity infused to spur growth and now there appears to be some perceptible improvements.

**2. COMPANY OVERVIEW ::**

Since the last five years the Company has relentlessly embarked on coming out of the red with a mission to exceed customers expectation and to delight them with best services and quality products. The year 2009-2010 has been used as a platform year for consolidation with a perceptible zeal of being **Committed for Growth** in terms of substantial increase in casting capacity, putting up a third extrusion press, strict financial discipline, concentrating on high margin products. The Company has started formulating further growth plans to be executed over a period of next three to five years.

**3. OPPORTUNITIES ::**

Your Company enjoys pre-eminent position in aluminum extrusion manufacturing for varied user industries which it intends to consolidate. Our experience of three decades in the business has been advantageous in managing downward risk and we are now gathering strength with an eye on upside potential. In the global turbulence of 2008 and 2009, instead of reacting to situations on short notice as they arose, we have been investing time to understand how such forces might affect the industry, particularly your Company and mapping the role for further growth that your Company intends to play. We have been vigilant to use this hard times to retrospect, to concentrate and to strengthen our competitive advantage. All out efforts were made/are being made to enhance capabilities and efficiencies. Extensive growth plans are afoot to benefit from the expected emerging demand patterns in the industry.

The per capita consumption of aluminum in India is approximately 1.3 kg. compared to 30 kgs. plus in most of the developed countries, This scenario offers tremendous scope for growth. Traditionally in India, Aluminum extrusions are conventionally used by power, electrical, transportation, packaging, consumer durables, construction, building systems, defense, PSU's, railways, switchgears, automobiles, infrastructure industry. Aluminum extrusions with its many inherent qualities like light weight, corrosion resistance, eco-friendly, aesthetics, molding versatility, extremely viable alternative to wood, etc. scores over other metals. Everyday Aluminum extrusions are finding enlarged applications by the present user industries and fresh applications by the potential new users. With the expansion of capacities in the user industries demand for aluminum extrusion is also estimated to grow at more than 8-10% per annum. Also with advancement of technology, aluminum extrusions industry has very promising future.

Your Company continues to enjoy increasing confidence from its valued customers spread across various industries for providing quality products and efficient delivery logistics. To meet the increasing demand of the user industry and new users, the third extrusion press is nearing completion of commissioning and is expected to start production from Q2 of 2010-2011.

**4. THREATS, RISKS AND CONCERNS ::**

The Companies products are primarily sold in the domestic market. The increase in raw material prices, competition from established and emerging players, foreign exchange fluctuations and increase in other input costs are major areas of risks and concerns. Your Company is aware about business risks and have formulated policies for responsible risk management and accordingly from time to time takes effective steps to mitigate/minimize its impact and ensure continuity and business development in line with the mission and vision of the Company.

The Company has adequate insurance coverage of all its assets. The compliance of safety norms and requirements as prescribed by different government agencies are duly fulfilled.

The Company is taking due care and steps in respect of pollution control, safety, health etc. Its certification is under process. The Company has received certification for SA 8000.

**5. OUTLOOK ::**

With the visible revival of the Indian economy since the 2nd half of 2009, several large players of the different user industry has formulated their growth plans which is directly expected to give a big thrust to aluminum extrusion industry, more particularly to your Company. With expansion being streamlined and blue prints being made for further growth the Company is hopeful of better performance in future. The immediate plan for 2010-2011 is to utilise capacity to full, to effectively manage resources, to optimize cost and to secure a significant share of the domestic market.

**6. INTERNAL CONTROL AND THEIR ADEQUACY ::**

Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. In addition to its own audit department, to have better effective control over the accounting systems and check over day to day operations of the Company, internal auditors are also appointed. Significant audit observations and follow up actions thereon are reported to the Audit Committee. Audit Committee reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and system.

**7. DIVERSIFICATION & NEW VALUE ADDED PRODUCTS ::**

The Company is in constant drive to develop extruded sections for sophisticated end uses. The down-stream activity and Truck Body Kits/Bus Body Systems are also on constant follow up.

**8. TOTAL QUALITY MANAGEMENT ::**

The Company is recertified for Quality Management System ISO 9001 : 2000 certification, ISO/TS 16949 : 2002.

The Company is committed to Total Quality Management and has established a Quality Management Systems in compliance with the International Quality System Standard ISO 9001 : 2000/TS16949 : 2002 of TUVNORD CERT Certification Body.

**9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS ::**

During the year, Your Company has focused efforts to enhancing capabilities of employees, particularly in view of expanding capacities. Technical and Safety training programmes were held periodically to enhance workers knowledge and application skills. Industrial Relations continued to remain cordial and harmonious during the year.

**10. SEGMENT-WISE/PRODUCT-WISE PERFORMANCE ::**

Your Company's business activity falls within a single primary business segment viz. Aluminum extrusions. As such there are no separate reportable segments as per Accounting Standard-17 (AS -17) issued by the Institute of Chartered Accountants of India.

**11. CORPORATE SOCIAL RESPONSIBILITY ::**

Your Company believes that growth has not only to be profitable and competitive, but also sustainable in a socially relevant way. Your company has volunteered to provide relief to local communities residing nearby the factory when in distress. During the year your Company has undertaken the following CSR initiatives at Nashik ::

- [a] Managing "Sudal Welfare Center" for which a Doctor has been appointed and on daily basis 40 to 50 poor and needy people from the Society are checked free of charge/cost with Medicines.
- [b] One drinking water connection of MIDC has been provided by your Company for needy and poor people, who are residing in the vicinity of our Plant.
- [c] Your Company is also associated with The National Association for the Blind [NAB] Nashik, and we provide relief to blind people by giving them our job work, etc.
- [d] Every year your Company arranges Blood Donation Camp for social causes in association with M/s Arpan Blood Bank, Nashik.

**13. ERP ::**

The SAP-ERP system, introduced during the year under review in certain areas is expected to be fully implemented in the current year. The system would help in strengthening the MIS and the internal control procedures.

**14. CAUTIONARY STATEMENT ::**

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forwarding looking statements" and are based on currently available information. The Management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to certain future events and uncertainties, which could cause actual result to differ materially from those that may indicated in such statements.

For and behalf of the Board of Directors

Place :: Mumbai  
Date :: April 29, 2010

Chaitan M. Maniar  
Chairman

**ANNEXURE - III TO THE DIRECTORS' REPORT  
CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE ::**

Your company has been practicing the principles of good corporate governance and believes in importance of transparency and accountability in all facets of its operations. It is following sound systems to support healthy business operations and endeavors continuous improvements. Your company has implemented, to the extent possible, the recommendations of the code of corporate governance as per the guide-lines.

The Board of Directors of the Company has adopted the code of conduct for its members and senior management covering company's value, principles, behavioral ideals, integrity, ethical conduct whereby interest of the Company is taken care.

**2. BOARD OF DIRECTORS ::**
**I. COMPOSITION ::**

The Board of Directors comprises of ::

- One Managing Director [Promoter group]
- One Joint Managing Director [Promoter group]
- One Director – Not Independent – Related [Promoter group]
- One Director – Independent – Related
- Three Non-Executive Directors – Independent

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under ::

Name of the Director	Category	No. of Directorships in other public limited companies	Memberships of other Committee[s]		No. of Board Meetings attended	Last AGM Attended [Yes/No]
			Chairman	Member		
Shri Shriram C. Chokani	Managing Director [Promoter group]	–	–	–	01	No
Shri Sudarshan S. Chokhani	Jt. Managing Director [Promoter group]	–	01	03	10	Yes
Shri Shyantanu S. Chokhani	Non Executive – Related [Promoter group]	–	–	–	03	Yes
Shri Deokinandan Ajitsaria	Non Executive – Related – Independent	–	–	02	02	No
Shri Chaitan M. Maniar	Chairman – Non Executive – Independent	14	01	09	08	No
Shri Manoj O. Shah	Non Executive – Independent	01	02	04	10	Yes
Shri Dinesh C. Shah	Non Executive – Independent	–	–	03	10	Yes

**II. MEETINGS OF THE BOARD OF DIRECTORS ::**

During the year 2009-2010, the Board met Ten times on ::

- |                        |                       |
|------------------------|-----------------------|
| [1] April 30, 2009     | [6] November 06, 2009 |
| [2] July 18, 2009      | [7] December 02, 2009 |
| [3] August 31, 2009    | [8] December 23, 2009 |
| [4] September 12, 2009 | [9] January 19, 2010  |
| [5] October 12, 2009   | [10] March 12, 2010   |

At least one Board Meeting was held during every quarter. The maximum time gap between two Board Meetings was less than four months.

**3. THE BOARD COMMITTEES ::**

**I. AUDIT COMMITTEE ::**

**Terms of Reference ::**

The terms of reference of this Committee cover the matters specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. In brief, these are:

To oversee the Company's financial reporting process and disclosure of its financial information; to recommend the appointment of Statutory Auditors and Internal Auditors; to review and discuss with the Auditors all aspects of internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries; compliance with Accounting Standards and Listing agreement with the Stock Exchange and other legal and regulatory requirements concerning financial statements; to review the reports of the Company's Internal Auditors and to discuss with them any significant findings for follow-up action thereon; to review the financial statements audited by the Statutory Auditors as also to review financial and risk management policies and practices.

**Composition and Attendance of Audit Committee ::**

During the year the Committee met Four times on [1] April 30, 2009 ; [2] July 18, 2009 ; [3] October 12, 2009 and [4] January 19, 2010

Name of the Director	Category	No. of Meetings attended
Shri Manoj O. Shah	Independent – N E D [Chairman]	4
Shri Sudharshan S. Chokhani	Jt. Managing Director – [Member]	4
Shri Deokinandan Ajitsaria	Independent – N E D Related – [Member]	2
Shri Dinesh C. Shah	Independent – N E D [Member]	4

N E D :: Non Executive Director

The necessary quorum was present at the meetings.

All members of the Board Audit Committee are financially literate and have relevant finance and/or audit exposure.

At least One Audit Committee Meeting was held every quarter.

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

The Chief Financial Officer acts as the co-ordinator of the Committee.

The Chairman of the Audit Committee Shri Manoj O. Shah was present at 30th Annual General Meeting held on July 18, 2009.

**II. REMUNERATION COMMITTEE ::**

**Terms of reference ::**

[1] Reviewing the overall compensation policy, service agreements and other employment conditions of Managing Director[s]/Staff.

[2] Reviewing the performance of the Managing Director[s] and recommending to the Board the quantum of annual increments and annual commission.

**Composition and Attendance of Remuneration Committee ::**

During the year 2009-2010, the Committee met Two times: [1] August 31, 2009 and [2] September 12, 2009

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under :

Name of the Director	Category	No. of Meetings attended
Shri Manoj O. Shah	Independent – N E D [Chairman]	2
Shri Sudharshan S. Chokhani	Joint Managing Director – [Member]	2
Shri Deokinandan Ajitsaria	Independent – N E D Related – [Member]	–
Shri Dinesh C. Shah	Independent – N E D [Member]	2

N E D :: Non Executive Director

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

**III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE / SHARE TRANSFER COMMITTEE ::**
**Terms of Reference ::**

To specifically look into complaints relating to transfer of shares, non-receipt of annual report, dividend warrants, etc. received from investors, redress them and to recommend measures for overall improvement in the Quality of investors service, wherever possible.

The Company has re-constituted the share transfer committee w.e.f. July 18, 2009 with the following terms of reference ::

- [A] Transfer/transmission/transposition of shares;
- [B] Consolidation/splitting of shares
- [C] Issue of duplicate share certificates, confirmation of demat/remat requests, defaced shares, Review of shares dematerialized and all other related matters

**Composition of the committee**

The Committee comprises of Three Directors, namely,

Name of the Director	Category
Shri Sudharshan S. Chokhani	Joint Managing Director – [Chairman]
Shri Manoj O. Shah	Independent – N E D [Member]
Shri Dinesh C. Shah	Independent – N E D [Member]

N E D :: Non Executive Director

During 2009-2010, Eighteen Meeting of the Committee were held. The Company has received total 12 complaints during the year 2009-10 which were disposed off and no complaint is pending at the year end.

The Company Secretary of the company is the Secretary of the said Committee and he is also the Compliance Officer.

As per the revised Clause 47 [F] of the listing agreement of the BSE, the e-mail ID of the Company is inamdar@sudal.co.in

**4. REMUNERATION OF DIRECTORS ::**

[Rupees in thousands]

Name of the Director	Sitting Fees [Rs.]	Salary [Basic + HRA] [Rs.]	Perquisites & Allowances [Rs.]	PF Contribution [Rs.]	Commission [Rs.]	Total [Rs.]
Shri Shriram C. Chokani	–	3066.27	–	–	–	3066.27
Shri Sudarshan S. Chokhani	–	3066.27	–	–	–	3066.27
Shri Shyantanu S. Chokhani	5.50	–	–	–	–	5.50
Shri Deokinandan Ajitsaria	2.50	–	–	–	–	2.50
Shri Chaitan M. Maniar	17.00	–	–	–	–	17.00
Shri Manoj O. Shah	38.75	–	–	–	–	38.75
Shri Dinesh C. Shah	41.25	–	–	–	–	41.25

All non-executive Directors receive sitting fees for each such meetings of the board and committee[s] attended by them at the rate of Rs. 1,250 upto October 12, 2009. Thereafter, the sitting fee is paid at the rate of Rs. 3,000 and Rs. 1,500 per such meeting respectively.

**5. COMPLIANCE OFFICER ::**

Shri Kiran G. Inamdar  
Company Secretary  
is also the Compliance officer

Corporate Office ::  
26A, Nariman Bhavan,  
227, Nariman Point,  
Mumbai 400 021  
Telephone No :: +91-22-61577112  
Fax No :: +91-22-22022893  
E-mail :: inamdar@sudal.co.in

**6. DISCLOSURES ::**

**I. RELATED PARTY TRANSACTIONS ::**

The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, or relatives that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No.8 of Schedule 22 to the accounts in the Annual Report.

**II. STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES ::**

There have been no instances of non-compliance by the Company on any matters related to the capital market, nor have any penalty/strictures been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on such matters for last three years.

**III. CODE OF CONDUCT ::**

The Company has adopted a Code of Conduct for the Directors and Senior Management Personnel of the Company.

**IV. LISTING AGREEMENT COMPLIANCE ::**

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as amended till date.

**V. RISK MANAGEMENT ASSESSMENT ::**

The Company has since reviewed the risk based control system and evolved a procedure for risk assessment and timely rectification which would help minimisation of risk associated with any strategic, operational, financial and compliance risk across all the business operations. These control procedures and system will ensure that the Board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

**VI. ALLOTMENT OF EQUITY SHARES DURING THE YEAR ::**

The Company has allotted Equity Shares on Conversion of Optionally Fully Convertible Warrants [OFCW] during the year as per details given below ::

Date of Allotment	No. of Shares Allotted	Authorised Capital	Paid-up Capital
January 19, 2010	2,00,000*	6,00,00,000	4,61,78,180
March 12, 2010	4,00,000**	6,00,00,000	5,01,78,180

\* Shares allotted on conversion of 2,00,000 OFCW issued at Rs. 23.25 each.

\*\* Shares allotted on conversion of 4,00,000 OFCW out of 12,00,000 OFCW issued at Rs. 23.25 each.

**LISTING APPROVAL FROM BSE ::**

The listing and trading permission from BSE was received on March 23, 2010 for 2,00,000 Equity Shares issued and allotted on conversion of OFCW. [for the Balance 4,00,000 Equity Shares – application for listing and trading has been submitted to BSE]

**VII. BOARD PROCEDURE ::**

The Company has established procedures to enable its Board to review compliance of all laws applicable to the Company as well as steps to be taken to rectify instances of non-compliance.

**7. MEANS OF COMMUNICATION ::**

Timely disclosure of information on business and financial performance of the Company is an integral part of good governance. Your Company disseminates information about its operations, business and financial performance to Stock Exchange. The Quarterly/Half yearly/Annual results are declared within Thirty days of the end of such respective period.

The Quarterly Unaudited Financial results and Audited Annual results are normally published in “Free Press Journal” [English] Mumbai Edition and “Navshakti” [Marathi], Mumbai Edition.

Updates and developments which impact the business and financials together with data on Shareholding pattern etc. are made available to the The Bombay Stock Exchange Ltd., Mumbai in the form which enable them to place them on their website i.e. [www.bseindia.com](http://www.bseindia.com).

**8. LISTING ::**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai.

## 9 GENERAL MEETINGS ::

Details of Annual General Meetings ::

[a] The particulars of last three Annual General Meetings of the Company are as under:

Financial Year	Date	Time	Venue
2008-2009	July 18, 2009	3:30 p.m.	} Hotel Sai Palace, Mumbai-Nashik Highway, CIDCO, Nashik-422010.
2007-2008	June 02, 2008	3:30 p.m.	
2006-2007	September 29, 2007	4:00 p.m.	

[b] The particulars of special resolution passed in the last three Annual General Meeting are as under:

Financial Year	No. of Special Resolutions
2008-2009	One
2007-2008	Two
2006-2007	Two

[c] One Extra Ordinary General Meeting was held on Monday October 12, 2009 at 3:00 p.m. venue being Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik-422010 and Three Resolutions were passed as special resolutions.

[d] Pursuant to provisions of sections 192 A of the Companies Act, 1956, postal ballot was conducted to pass the following resolution as a special resolution under 17 of the Companies Act, 1956.

*"To amend and add to the objects clause of the Company. as set out in the resolution and explanatory statement annexed thereto."*

The results of the postal ballot declared on July 18, 2009 is as under ::

Number of valid postal ballot forms received		:: 58 Forms Equating 18,58,963 Equity Shares	
Particulars	Total No. of Valid Votes	% to Total No. of Valid Votes	
Votes in favour of the Resolution	18,58,833	99.995	
Votes against the Resolution	130	0.005	
<b>TOTAL</b>	<b>18,58,963</b>	<b>100.000</b>	

The above resolution was declared as approved by the shareholders with requisite majority.

[e] Shri Mayur R. Shah, Practicing Chartered Accountant was appointed as the scrutinizer to conduct the Postal Ballot.

## 10. DETAILS OF DIRECTORS SEEKING REAPPOINTMENT ::

As required under Clause 49 IV (G) (i) particulars of Directors seeking Appointment/reappointment are given in the Explanatory Statement annexed to the Notice of Annual General Meeting to be held on September 25, 2010.

## 11. GENERAL SHAREHOLDERS INFORMATION ::

Date of Incorporation	::	August 08, 1979
Corporate Identity Number [CIN]	::	L21541MH1979PLCO21541
Registered Office and Plant	::	A-5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422 010 [Maharashtra] Tel No :: +91-253-6636201/229 Email :: nashik@sudal.co.in
Corporate Office [Address for Correspondence]	::	26A, Nariman Bhavan, 227 Nariman Point, Mumbai – 400 021 Tel No :: +91-22-6157712 Email :: mumbai@sudal.co.in
Day and Date of the Annual General Meeting	::	Saturday, September 25, 2010
Time and Venue of the Annual General Meeting	::	3.00 p.m. at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik – 422010
Date of Book Closure	::	From September 16, 2010 to September 25, 2010 [both days inclusive]
Date and Time of Receipt of Proxy	::	September 23, 2010 before 3.00 p.m.
Financial year: 2010-2011	::	April 1, 2010 to March 31, 2011

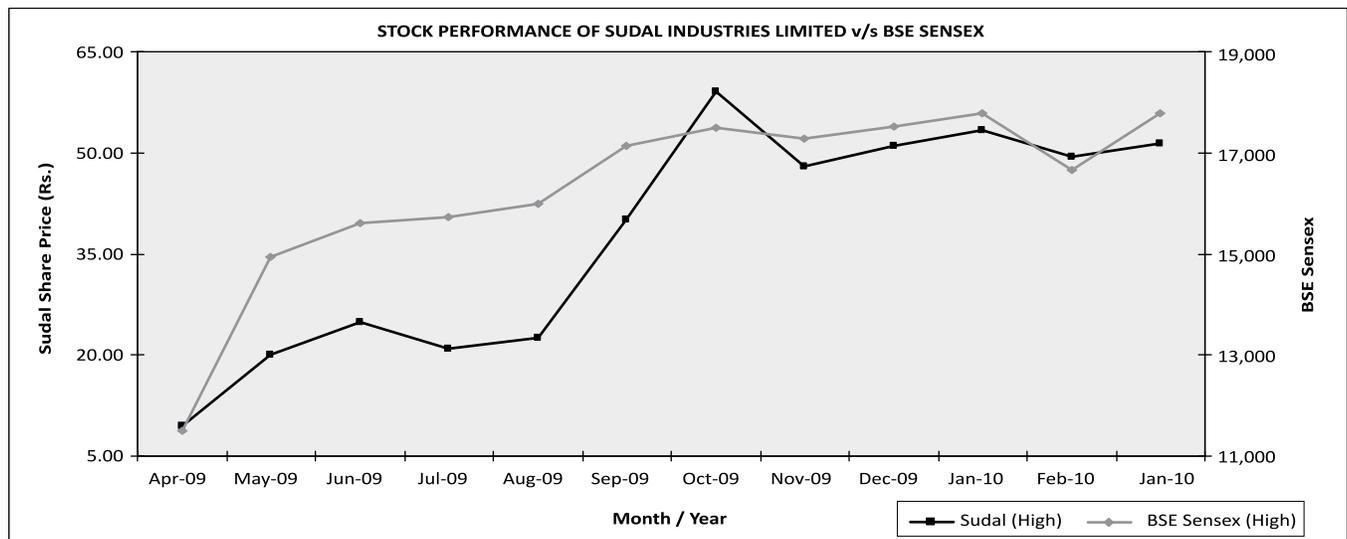
First Quarter ending June 30, 2010	::	4 <sup>th</sup> Week of July, 2010
Second Quarter ending September 30, 2010	::	4 <sup>th</sup> Week of October 2010
Third Quarter ending December 31, 2010	::	4 <sup>th</sup> Week of January 2011
Fourth Quarter ending March 31, 2011	::	2 <sup>nd</sup> Week of May 2011
Listing on Stock Exchange	::	The Bombay Stock Exchange Limited 25 <sup>th</sup> Floor, P.J. Towers, Dalal Street, Mumbai – 400 001 Tel No. :: +91-22-22721233/34 Fax No. :: +91-22-26598347/48 Website :: www.bseindia.com The Annual Listing fee for 2010-2011 have been duly paid.
BSE Stock Code	::	506003
International Security Identification Number [ISIN] Code	::	INE 618D01015
Dividend Payment/Credit date	::	On or after September 26, 2010
Outstanding Optionally Fully Convertible Warrants	::	8,00,000 OFCW of Rs. 23.25 each are due for conversion into equivalent number of shares on or before June 01, 2011.

**12. MARKET PRICE DATA ::**

The month-wise movement [High & Low] of the equity shares of the Company at the Bombay Stock Exchange Limited, Mumbai, during each month for the year ended 31st March 2010 is as under ::

Period	SIL Price Data		BSE Sensex	
	High [Rs.]	Low [Rs.]	High	Low
2009 – April	09.54	07.91	11,492.10	09,546.29
May	19.99	09.21	14,930.54	11,621.30
June	24.85	17.85	15,600.30	14,016.95
July	21.00	17.20	15,732.81	13,219.99
August	22.50	18.45	16,002.46	14,684.45
September	40.05	20.00	17,142.52	15,356.72
October	59.05	38.90	17,493.17	15,805.20
November	47.90	37.15	17,290.48	15,330.56
December	50.95	43.15	17,530.94	16,577.78
2010 – January	53.40	44.15	17,790.33	15,982.08
February	49.40	42.80	16,669.25	15,651.99
March	51.35	42.50	17,793.01	16,438.45

BSE closing market price as at **March 31, 2010 – Rs. 44.85**



**13. DISTRIBUTION OF EQUITY SHARE HOLDING AS AT MARCH 31, 2010 ::**

No. of shares Held	Number of share holders	% of share holders	Aggregate shares held	% of shareholding
1 - 500	10,266	95.029	8,55,399	17.047
501 - 1000	289	2.675	2,23,958	04.463
1001 - 2000	111	1.027	1,68,582	03.360
2001 - 3000	42	0.389	1,09,962	02.191
3001 - 4000	14	0.130	51,419	01.025
4001 - 5000	15	0.139	73,272	01.460
5001 - 10000	32	0.296	2,49,162	04.966
10001 and above	34	0.315	32,86,064	65.488
<b>TOTAL</b>	<b>10,803</b>	<b>100.000</b>	<b>50,17,818</b>	<b>100.000</b>

**14. SHARE HOLDING PATTERN AS AT MARCH 31, 2010 ::**

Category	Number of Shareholders	No. of Shares held	% of share holding
Indian Promoters/Relatives	18	21,66,220	43.17
Banks	01	50	00.00
Foreign Corporate Bodies	01	4,25,300	08.48
Corporate Bodies	122	3,72,753	07.43
Indian Public	10,644	20,31,114	40.48
NRI's/OCB's	17	22,381	00.45
<b>TOTAL</b>	<b>10,803</b>	<b>50,17,818</b>	<b>100.00</b>

**15 REGISTRAR AND TRANSFER AGENT ::**

[For physical and Demat]

**Sharepro Services [India] Private Limited**

Unit : SUDAL INDUSTRIES LIMITED

13 AB, Samitha Warehousing Complex,

2nd Floor, Saki Naka Telephone Exchange Road,

Saki Naka, Andheri [East], Mumbai – 400 072

Tel No. :: 91-22-67720300/67720400

Fax No. :: 91-22-28591568

Email :: sharepro@shareproservices.com

**16. SHARE TRANSFER SYSTEM ::**

Share Transfers in physical form are to be lodged with Sharepro Services [India] Private Limited; Registrar and Transfer Agent at the above mentioned address. The transfers are normally processed within 30 days from the date of receipt if the relevant documents are complete in all respect. Share Transfer Committee approves the transfers.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant [DP] regarding change of address, change of Bank/Bank Account number, nomination, etc.

**17. DEMATERIALISATION OF SHARES ::**

The Company has arrangements with National Securities Depository Limited [NSDL] as well as the Central Depository Services [India] Limited [CDSL] for demat facility. 68.53 % of the paid up share capital is held in dematerialised form as on March 31, 2010.

**18. DEMAT AND PHYSICAL SHARES ::**

Particulars	As at March 31, 2010	%
Number of Shares held at NSDL	8,34,931	16.64
Number of Shares held at CDSL	26,04,140	51.89
Number of Shares held in Physical form	15,78,747	31.47
<b>TOTAL</b>	<b>50,17,818</b>	<b>100.00</b>

For and behalf of the Board of Directors

Place :: Mumbai  
Date :: April 29, 2010

Chaitan M. Maniar  
Chairman

**AUDITORS' CERTIFICATE REGARDING COMPLIANCE WITH  
CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE NO. 49  
OF THE LISTING AGREEMENT WITH STOCK EXCHANGE**

To The Members of  
**Sudal Industries Limited**

We have examined the compliance of conditions of 'Corporate Governance' by **Sudal Industries Limited** for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances was pending for a period of one month against the Company as per the records maintained by the Company

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **LODHA & COMPANY**  
Chartered Accountants  
Firm Registration No. 301051E

**A. M. Hariharan**  
Partner  
Membership No. 038323

Place :: Mumbai  
Date :: April 29, 2010

**DECLARATION OF THE CODE OF CONDUCT  
BY THE JOINT MANAGING DIRECTOR**

I hereby declare that pursuant to provisions of clause 49 [1] [D] [II] of the listing agreement all the Directors and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company and confirmation to that effect has been received for the year 2009-2010.

For **Sudal Industries Limited**

**Place :: Mumbai**  
**Date :: April 29, 2010**

**Sudarshan S. Chokhani**  
*Joint Managing Director*

**CEO/CFO CERTIFICATION**

As required under sub clause V of Clause 49 of the listing agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2010 the Company has complied with the requirements of the said sub-clause.

For **Sudal Industries Limited**

**Place :: Mumbai**  
**Date :: April 29, 2010**

**Sudarshan S. Chokhani**  
*Joint Managing Director*  
**Mukesh V. Asher**  
*Chief Financial Officer [CFO]*

**SECRETARIAL COMPLIANCE CERTIFICATE**

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Sudal Industries Limited, having its Registered Office at A-5 MIDC., Ambad Industrial Area, Mumbai-Nashik Highway, Nashik, Maharashtra, has complied with all the statutory requirements and maintained all books / records as required under the Companies Act, 1956 and also complied with the requirements prescribed by SEBI and all other applicable statutes and rules there under, to the best of knowledge of the under named.

For **Sudal Industries Limited**

**Place :: Mumbai**  
**Date :: April 29, 2010**

**Kiran G. Inamdar**  
*Company Secretary*

## AUDITORS' REPORT

To The Members

**Sudal Industries Limited**

We have audited the attached Balance Sheet of SUDAL INDUSTRIES LIMITED as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act to the extent applicable;
- v. on the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with other notes in Schedule '21 & 22' and those appearing elsewhere in the accounts, give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a. in the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
  - b. in the case of the profit and loss account, of the profit for the year ended on that date; and
  - c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **LODHA & COMPANY**  
Chartered Accountants  
Firm Registration No. 301051E

**A. M. Hariharan**  
Partner  
Membership No. 038323

**Place :: Mumbai**  
**Date :: April 29, 2010**

## **ANNEXURE TO THE AUDITORS' REPORT**

### **ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2010 of SUDAL INDUSTRIES LIMITED**

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

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the year end which is considered reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
2. (a) The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at regular intervals. Stocks in the possession and custody of third parties as on 31st March, 2010 have been verified by the management with reference to confirmation or statement of account or correspondence with the third parties or subsequent receipt of goods.  
(b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company is maintaining proper records of inventories and discrepancies noticed on physical verification of stocks as compared to book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3. The Company has not granted/taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased and sold are of special nature and suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any fixed deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
7. The Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company, pursuant to the Order of the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such records with a view to determine whether they are accurate or complete.
9. (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2010 for a period more than six months from the date they became payable.  
(b) According to the information and explanations given to us and records of the Company examined by us and read together with where is stated in note no. 2 of Schedule '22' regarding excise duty demand, there are no dues in respect of Provident Fund, Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and immediately preceding financial year.
11. During the year, the Company has not defaulted in repayment of dues to the banks.
12. According to the information and explanations give to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a nidhi/mutual benefit fund/society, the provisions of clause 4(xiii) of the Order is not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purposes for which the loans were obtained during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
18. The Company has made preferential allotment of 12,00,000 Optionally Fully Convertible Warrants to promoter. Out of which, the Company has converted 4,00,000 Optionally Fully Convertible Warrants into Equity shares (Rs. 10/- per share and Rs. 13.25 as Premium) and consider Security Exchange and Board of India price norm have been followed therefore the price of Equity shares have been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & COMPANY**  
*Chartered Accountants*  
Firm Registration No. 301051E

**A. M. Hariharan**  
*Partner*  
Membership No. 038323

**Place :: Mumbai**  
**Date :: April 29, 2010**



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
MARCH 31, 2010**

[Amount in Rupees]

Particulars	Schedule No.	Year ended March 31, 2010		Year ended March 31, 2009
<b>INCOME ::</b>				
Sales and Other Operating Income	13	75,89,75,748		77,17,73,683
Less : Excise Duty		5,80,46,828		7,01,83,935
Net Sales			70,09,28,920	70,15,89,748
Other Income	14		4,36,699	5,18,287
Increase in Stock	15		1,69,86,731	10,16,724
<b>Total</b>			<b>71,83,52,350</b>	<b>70,31,24,759</b>
<b>EXPENDITURE ::</b>				
Consumption of Raw Materials	16	50,43,67,804		43,13,70,616
Purchase for Resale		—		9,98,12,026
Manufacturing Cost	17	6,82,89,851		5,94,40,335
Payment to and Provisions for employees	18	3,00,87,108		2,78,02,611
Other Expenses	19	2,02,28,491		1,60,07,592
<b>Total</b>			<b>62,29,73,254</b>	<b>63,44,33,180</b>
Profit before Interest and Depreciation			9,53,79,096	6,86,91,579
Interest and Finance Charges	20		3,13,55,528	2,43,24,827
Depreciation		1,21,26,955		1,12,96,321
Less: Transferred from Revaluation Reserve		(64,99,965)		(64,99,965)
			56,26,990	47,96,356
Profit Before Exceptional Income			5,83,96,578	3,95,70,396
Exceptional Income			—	50,02,962
<b>PROFIT BEFORE TAX</b>			<b>5,83,96,578</b>	<b>4,45,73,358</b>
Provision for : Current Tax			1,29,75,000	61,03,244
: Taxation for Earlier Years			(5,53,060)	—
: Deferred Tax Assets			—	(66,28,474)
: Deferred Tax Liability			2,30,08,094	—
: Fringe Benefits Tax			—	4,31,079
: MAT Credit			—	(55,93,589)
<b>PROFIT AFTER TAX</b>			<b>2,29,66,544</b>	<b>5,02,61,098</b>
Balance Brought Forward from previous year			77,77,683	(4,24,83,415)
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	<b>TOTAL</b>		<b>3,07,44,227</b>	<b>77,77,683</b>
<b>APPROPRIATIONS ::</b>				
Proposed Dividend			50,17,818	—
Corporate Dividend Tax			8,52,779	—
Balance carried to Balance Sheet			2,48,73,630	77,77,683
<b>TOTAL</b>			<b>3,07,44,227</b>	<b>77,77,683</b>
Earning per Share [Rs.] [Refer Note no. 10 of Schedule '22']				
Before Exceptional Item				
Basic			5.13	10.24
Diluted			4.72	10.24
After Exceptional Item				
Basic			5.13	11.38
Diluted			4.72	11.38
<b>Significant Accounting Policies</b>	<b>21</b>			
<b>Notes to Accounts</b>	<b>22</b>			

Schedules referred to herein form an integral part of the Profit and Loss Account.

As per our attached report of even date

For **LODHA & COMPANY**  
Chartered Accountants  
Firm Registration No. 301051E

**A.M. Hariharan**  
Partner  
M. No. 038323

Place :: Mumbai  
Date :: April 29, 2010

For and on behalf of the Board

**Sudarshan S. Chokhani** — Joint Managing Director  
**Manoj O. Shah** — Director  
**Mukesh V. Ashar** — Chief Financial Officer  
**Kiran G. Inamdar** — Company Secretary

Place :: Mumbai  
Date :: April 29, 2010

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010**

[Amount in Rupees]

Particulars	Schedule No.	Year ended March 31, 2010	Year ended March 31, 2009
<b>A. Cash Flow from Operating Activities</b>			
<b>Net Profit before Tax as per Profit and Loss Account</b>		<b>5,83,96,578</b>	4,45,73,358
Adjustment for : :			
Depreciation		<b>56,26,990</b>	47,96,356
(Profit)/Loss on Discardation of Fixed Assets/Investment		—	16,672
Interest – Paid		<b>3,13,55,528</b>	2,43,24,827
<b>Operating Profit before Working Capital changes</b>		<b>9,53,79,096</b>	7,37,11,213
Adjustment for : :			
(Increase)/Decrease in Debtors		<b>7,25,38,371</b>	(8,75,30,646)
(Increase)/Decrease in Inventories		<b>(1,43,75,745)</b>	(1,81,93,325)
(Increase)/Decrease in other current assets		<b>(1,20,93,393)</b>	(1,08,19,945)
(Increase)/Decrease in current liabilities		<b>(14,21,72,142)</b>	13,08,80,042
Cash generated from operation		<b>(7,23,813)</b>	8,80,47,339
Taxes Paid		<b>(55,50,184)</b>	—
<b>Net Cash from Operation Activities (A)</b>		<b>(62,73,997)</b>	8,80,47,339
<b>B. Cash Flow from Investing Activities</b>			
Purchase of Fixed Assets		<b>(3,10,14,851)</b>	(2,10,51,358)
<b>Net Cash used in Investing Activities (B)</b>		<b>(3,10,14,851)</b>	(2,10,51,358)
<b>C. Cash Flow from Financing Activities</b>			
Proceeds from Shares and Warrants		<b>1,86,21,000</b>	—
(Repayment)/Proceeds from Bank Borrowings		<b>4,53,37,311</b>	(3,62,64,020)
Receipt/(Repayment) of other Loan		<b>97,37,143</b>	(75,15,000)
Interest – Paid		<b>(3,13,55,528)</b>	(2,43,24,827)
Dividend – Paid		<b>(50,17,818)</b>	—
<b>Net Cash used in Financing Activities (C)</b>		<b>3,73,22,108</b>	(6,81,03,847)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>33,260</b>	(11,07,866)
<b>CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR</b>		<b>25,946</b>	11,33,812
<b>CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR</b>		<b>59,206</b>	25,946
<b>Significant Accounting Policies</b>	<b>21</b>		
<b>Notes to Accounts</b>	<b>22</b>		

**Schedules referred to above form part of the Cash Flow**

- Notes: 1. The above cashflow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2. Cash and cash equivalents excludes balance in deposits Rs. 1,000 (Previous Year Rs. 1,000).
3. Figures in brackets indicate cash outflow.
4. Previous year's figures have been regrouped/rearranged/reclassified wherever necessary to conform to the current year's presentation.

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

For **LODHA & COMPANY**  
Chartered Accountants  
Firm Registration No. 301051E

**A.M. Hariharan**  
Partner  
M. No. 038323

Place :: **Mumbai**  
Date :: **April 29, 2010**

**For and on behalf of the Board**

**Sudarshan S. Chokhani** — Joint Managing Director  
**Manoj O. Shah** — Director  
**Mukesh V. Ashar** — Chief Financial Officer  
**Kiran G. Inamdar** — Company Secretary

Place :: **Mumbai**  
Date :: **April 29, 2010**

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

**SCHEDULE 1**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>SHARE CAPITAL ::</b>		
<b>AUTHORISED</b>		
60,00,000 Equity Shares of Rs. 10 each	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000
<b>ISSUED</b>		
51,20,012 Equity Shares of Rs. 10 each [Previous Year 45,20,012 Equity Shares of Rs. 10 each] [Refer Note No. 4 in Schedule No. '22']	5,12,00,120	4,52,00,120
	5,12,00,120	4,52,00,120
<b>SUBSCRIBED AND PAID-UP</b>		
50,17,818 Equity Shares of Rs. 10 each [Previous Year 44,17,818 Equity Shares of Rs. 10 each] [Refer Note No. 4 in Schedule No. '22']	5,01,78,180	4,41,78,180
Less: Calls in arrears	—	21,000
<b>TOTAL</b>	<b>5,01,78,180</b>	<b>4,41,57,180</b>

**SCHEDULE 2**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>RESERVES AND SURPLUS ::</b>		
Revaluation Reserve [As per last Balance Sheet]	9,32,42,806	9,97,42,771
Less : Transferred to Profit and Loss Account [Being adjusted for depreciation on incremental value arising out of revaluation]	(64,99,965)	(64,99,965)
Security Premium Account – Received during the year [Refer Note No. 4 in Schedule No. '22']	8,67,42,841 79,50,000	9,32,42,806 —
Profit and Loss Account	2,48,73,630	77,77,683
<b>TOTAL</b>	<b>11,95,66,471</b>	<b>10,10,20,489</b>

**SCHEDULE 3**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>SECURED LOANS ::</b>		
[a] From Banks		
[i] Term Loan	2,77,22,600	26,72,106
[ii] Cash Credit	7,65,43,444	5,60,53,228
	10,42,66,044	5,87,25,334
[b] Vehicle Loan	1,16,833	3,20,233
<b>TOTAL</b>	<b>10,43,82,877</b>	<b>5,90,45,567</b>

[a] [i] Secured by way of equitable mortgage of immovable properties and hypothecation of all movable assets.

[ii] Secured by hypothecation of Stocks and Book Debts. [i] and [ii] are further secured by way of pledge of 15,42,523 equity shares, held by promoters and personal guarantee by two Directors.

[b] Secured by hypothecation of vehicles purchased thereagainst.

**SCHEDULES FORMING PART OF THE BALANCE SHEET**
**SCHEDULE 4**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>UNSECURED LOANS ::</b>		
From Directors	—	16,300
From Bank *	<b>35,28,000</b>	—
Inter Corporate Deposit *	<b>62,25,443</b>	—
<b>TOTAL</b>	<b>97,53,443</b>	16,300
* Repayable within a year Rs. 72,74,628 [Previous Year Rs. Nil]		

**SCHEDULE 5**
**FIXED ASSETS ::**

[Amount in Rupees]

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at April 1, 2009	Additions during the year	Deductions during the year	Balance as at March 31, 2010	Up to April 1, 2009	For the year	Adjustments/ Deductions during the year	Up to March 31, 2010	Balance as at March 31, 2010	Balance as at March 31, 2009
Leasehold Land	2,11,20,000	—	—	<b>2,11,20,000</b>	14,87,045	2,97,409	—	<b>17,84,454</b>	<b>1,93,35,546</b>	1,96,32,955
Buildings	4,71,91,969	—	—	<b>4,71,91,969</b>	1,07,90,891	12,87,107	—	<b>1,20,77,998</b>	<b>3,51,13,971</b>	3,64,01,078
Plant & Machinery	33,58,03,733	71,28,916	—	<b>34,29,32,649</b>	24,30,99,898	92,98,333	—	<b>25,23,98,231</b>	<b>9,05,34,418</b>	9,27,03,835
Electrical Installations	76,35,020	65,813	—	<b>77,00,833</b>	61,30,555	54,131	—	<b>61,84,686</b>	<b>15,16,147</b>	15,04,465
Office Equipments	14,96,720	5,27,632	—	<b>20,24,352</b>	9,16,985	1,12,994	—	<b>10,29,979</b>	<b>9,94,373</b>	5,79,735
Computers	56,04,127	10,22,874	—	<b>66,27,001</b>	40,73,307	7,84,417	—	<b>48,57,724</b>	<b>17,69,277</b>	15,30,820
Furniture & Fixtures	22,17,825	69,307	—	<b>22,87,132</b>	20,08,182	36,618	—	<b>20,44,800</b>	<b>2,42,332</b>	2,09,643
Vehicles*	32,13,290	—	—	<b>32,13,290</b>	22,73,261	2,55,946	—	<b>25,29,207</b>	<b>6,84,083</b>	9,40,029
<b>TOTAL</b>	<b>42,42,82,684</b>	<b>88,14,542</b>	—	<b>43,30,97,226</b>	<b>27,07,80,124</b>	<b>1,21,26,955</b>	—	<b>28,29,07,079</b>	<b>15,01,90,147</b>	<b>15,35,02,560</b>
Previous Year Total	39,42,82,376	30,0,11,384	11,076	<b>42,42,82,684</b>	25,94,88,207	1,12,96,321	4,404	<b>27,07,80,124</b>	<b>15,35,02,560</b>	—

\* Note: Gross Block of Vehicles include Gross Block Rs. 22,56,207 [Previous Year Rs. 22,56,207]; Accumulated Depreciation Rs. 15,96,628 [Previous Year Rs. 13,66,207]; Net Block Rs. 6,59,579 [Previous Year Rs. 8,90,000] purchased on hire-purchase basis. These vehicles are held in the name of the director on behalf of Company.

Capital Work in Progress	March 31, 2010	March 31, 2009
Assets under installation/construction		
Plant & Machinery	<b>2,46,90,700</b>	—
Advances for Plant & Machinery/Computers	<b>19,42,031</b>	44,32,422
<b>TOTAL</b>	<b>2,66,32,731</b>	44,32,422

**SCHEDULE 6**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>INVESTMENTS ::</b>		
Government Securities [Unquoted]-Long Term		
100 Equity Shares of Rs. 10 each in The Thane Janta Sahakari Bank Ltd.	<b>1,000</b>	1,000
<b>TOTAL</b>	<b>1,000</b>	1,000

**SCHEDULES FORMING PART OF THE BALANCE SHEET**

**SCHEDULE 7**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>INVENTORIES ::</b>		
[Inventory as taken, valued and certified by the Management]		
Raw Materials [including goods-in-transit Rs. Nil (Previous Year Rs. 58,76,052)]	44,59,327	1,12,03,685
Stores and Spares [Refer to Note No. 14(a) in schedule '22']	7,69,51,862	7,28,18,490
Work-in-Process	3,19,76,421	1,68,54,290
Finished Goods	20,59,600	1,95,000
<b>TOTAL</b>	<b>11,54,47,210</b>	<b>10,10,71,465</b>

**SCHEDULE 8**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>SUNDRY DEBTORS ::</b>		
[Unsecured, Considered Good unless otherwise stated]		
Outstanding for a period exceeding six months		
Considered Good	5,85,990	5,63,390
Considered Doubtful	14,56,735	15,46,735
	<b>20,42,725</b>	21,10,125
Less : Provisions for Doubtful Debts	14,56,735	15,46,735
	<b>5,85,990</b>	5,63,390
Others	12,01,18,981	19,26,79,952
<b>TOTAL</b>	<b>12,07,04,971</b>	<b>19,32,43,342</b>

**SCHEDULE 9**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>CASH AND BANK BALANCES ::</b>		
[a] Cash on hand	7,451	8,978
[b] Balance with Scheduled Bank		
[i] In Current Account	51,755	16,968
[ii] In Fixed Deposit Account	1,000	1,000
[lodged with Central Excise Department, Nashik]		
<b>TOTAL</b>	<b>60,206</b>	<b>26,946</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET**
**SCHEDULE 10**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>LOANS AND ADVANCES ::</b>		
[Unsecured, considered good]		
Advance recoverable in cash or in kind or for value to be received	<b>1,04,61,122</b>	64,24,763
Deposits	<b>2,05,09,329</b>	52,66,179
Fringe Benefit Tax	<b>26,286</b>	26,286
Balance with Central Excise	<b>2,234</b>	9,343
MAT Credit Entitlement	<b>55,93,589</b>	55,93,589
<b>TOTAL</b>	<b>3,65,92,560</b>	1,73,20,160

**SCHEDULE 11**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>CURRENT LIABILITIES ::</b>		
Acceptances	<b>7,49,54,318</b>	6,12,48,902
Sundry Creditors		
[a] Micro, Small and Medium Enterprises [Refer Note No. 12 in Schedule '22']	—	—
[b] Others	<b>3,32,34,147</b>	18,95,37,693
Other Liabilities	<b>77,54,797</b>	58,95,291
<b>TOTAL</b>	<b>11,59,43,262</b>	25,66,81,886

**SCHEDULE 12**

[Amount in Rupees]

Particulars	As at March 31, 2010	As at March 31, 2009
<b>PROVISIONS ::</b>		
Provision for Gratuity	<b>90,09,784</b>	82,56,047
Provision for Leave Encashment	<b>17,15,523</b>	22,92,122
Income Tax [Net of Advance payment Rs. 7,95,932 (Previous Year Rs. 13,46,466)]	<b>1,21,79,068</b>	47,56,778
Proposed Dividend	<b>50,17,818</b>	—
Tax on Dividend	<b>8,52,779</b>	—
<b>TOTAL</b>	<b>2,87,74,972</b>	1,53,04,947

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT**

**SCHEDULE 13**

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>SALES &amp; OTHER OPERATING INCOME ::</b>		
Sales - Manufacturing Goods	74,47,59,484	64,56,34,788
Less: Excise Duty	5,73,53,787	6,96,71,551
	<b>68,74,05,697</b>	57,59,63,237
Sales - Traded Goods	—	10,05,56,977
Conversion Charges	99,50,692	2,12,84,097
Less: Excise Duty	3,66,575	13,811
	<b>95,84,117</b>	2,12,70,286
Sale of Scrap	42,65,572	42,97,821
Less: Excise Duty	3,26,466	4,98,573
	<b>39,39,106</b>	37,99,248
<b>TOTAL</b>	<b>70,09,28,920</b>	70,15,89,748

**SCHEDULE 14**

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>OTHER INCOME ::</b>		
Miscellaneous Income	3,870	4,216
Liabilities and Provisions no longer required written back	4,32,829	5,14,071
<b>TOTAL</b>	<b>4,36,699</b>	5,18,287

**SCHEDULE 15**

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>INCREASE/[DECREASE] IN STOCK ::</b>		
Stock [April 01, 2009]		
Finished Goods	1,95,000	8,86,585
Work-in-Process	1,68,54,290	1,51,45,981
	<b>1,70,49,290</b>	1,60,32,566
Stock [March 31, 2010]		
Finished Goods	20,59,600	1,95,000
Work-in-Process	3,19,76,421	1,68,54,290
	<b>3,40,36,021</b>	1,70,49,290
<b>INCREASE/(DECREASE) IN STOCK</b>	<b>1,69,86,731</b>	10,16,724

**SCHEDULE 16**

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>CONSUMPTION OF RAW MATERIAL [Indigenous] ::</b>		
Opening Stock	1,12,03,685	6,32,231
Add: Purchases	49,76,23,446	44,19,42,070
	<b>50,88,27,131</b>	44,25,74,301
Less: Closing Stock	44,59,327	1,12,03,685
<b>TOTAL</b>	<b>50,43,67,804</b>	43,13,70,616

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

### SCHEDULE 17

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>MANUFACTURING COST ::</b>		
Consumption of Stores and Spares Parts [Refer Note No. 14[b] in schedule '22']	1,31,64,418	2,340,686
Power and Fuel	4,67,86,175	4,99,80,917
Labour Charges	55,18,313	59,83,869
Repairs & Maintenance to :		
Plant & Machinery	7,42,127	1,06,355
Buildings	8,15,566	1,07,143
Others	12,63,252	9,21,365
<b>TOTAL</b>	<b>6,82,89,851</b>	<b>5,94,40,335</b>

### SCHEDULE 18

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>PAYMENTS TO AND PROVISIONS FOR EMPLOYEES ::</b>		
Salaries, Wages and Bonus	2,42,94,970	2,11,14,513
Contribution to Provident fund and Other Funds	21,49,572	22,07,640
Staff Welfare Expenses	19,44,927	23,46,364
Gratuity [Refer Note No. 15 in Schedule '22']	16,97,639	21,34,094
<b>TOTAL</b>	<b>3,00,87,108</b>	<b>2,78,02,611</b>

### SCHEDULE 19

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>OTHER EXPENSES ::</b>		
Packing Charges	29,21,240	27,14,290
Rent	64,900	2,33,001
Insurance	2,15,455	2,49,025
Telephone and Postage	22,18,034	15,18,848
Travelling and Conveyance	23,16,872	28,73,279
Discount	15,18,063	4,49,096
Commission and Brokerage	15,98,625	4,33,382
Directors' Meeting Fees	1,03,750	18,750
Legal and Professional Charges	14,50,568	14,17,818
Auditors Remuneration	6,67,709	5,02,630
Rates and Taxes	6,77,198	5,06,948
Transportation	6,79,967	4,40,255
Miscellaneous Expenses	56,13,736	46,45,669
Loss on Fixed Asset discarded/investments	—	16,672
Excise Duty on Stocks	1,82,374	(12,071)
<b>TOTAL</b>	<b>2,02,28,491</b>	<b>1,60,07,592</b>

### SCHEDULE 20

[Amount in Rupees]

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
<b>INTEREST AND FINANCE CHARGES ::</b>		
Interest – On Fixed Loans	4,59,344	5,65,329
– On Others	2,66,04,767	2,13,33,924
Finance Charges	42,91,417	24,25,574
<b>TOTAL</b>	<b>3,13,55,528</b>	<b>2,43,24,827</b>

<b>SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS</b>
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**SCHEDULE – 21****SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010****SIGNIFICANT ACCOUNTING POLICIES****General ::**

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

**Use of Estimates ::**

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

**Fixed Assets ::**

- (a) Leasehold Land, Buildings, Plant and Machinery and Electrical Installations are stated at revalued amounts less depreciation.
- (b) Other Assets are stated at cost less depreciation.

**Impairment of Assets ::**

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

**investments ::**

Long term investments are stated at cost.

**Valuation of Inventories ::**

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

**Depreciation/Amortisation ::**

- (a) Value of Leasehold Land is amortized over the period of lease i.e. 95 years.
- (b) On vehicles, Furniture and Fixtures and Office Equipments, depreciation is provided on written down value method at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (c) On Buildings, Plant and Machinery and Electrical Installation, depreciation is provided on straight line method in the manner referred in the note (d) below ::
- (d) (i) in respect of assets acquired upto 1st April, 1987, depreciation has been provided at the rate corresponding to the rate applicable under the Income Tax Rules as in force at the time of acquisition of such assets;

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

- (ii) in respect of addition/deletions made on or after 2nd April, 1987, at the rate and in the manner specified in the Schedule XIV to the Companies Act, 1956.
- (iii) in respect of addition made by way of revaluation of certain fixed assets, on the basis of future estimated life to this assets.

**Accounting for Taxes on Income ::**

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

**Sales and Other Operating Income ::**

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

**Translation of Foreign Currency ::**

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

**Employee Benefits ::**

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

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

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

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

**Borrowing Costs ::**

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

**Provisions, Contingent Liabilities and Contingent Assets ::**

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

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

**SCHEDULE – 22**

**NOTES TO ACCOUNTS**

**1. Contingent Liabilities not provided for in respect of ::**

(Amount in Rupees)

Particulars		As at March 31, 2010	As at March 31, 2009
(i)	Unexpired irrevocable letters of credit in respect of Raw Materials	79,95,682	1,77,99,061
(ii)	Counter Guarantee given by the company against the guarantees issued by the bank	50,000	1,00,000

2. The Department of Excise has raised the demand for Rs. 43,74,693 for the earlier years which is disputed by the Company. However, the finance minister in the budget presented for the year 2010-2011 has retrospectively amended the Central Excise Act and the Rules there under, confirming the correctness of the treatment given for clearance of non-excisable/exempted Goods and the said demand will stand withdrawn as soon as the budget is passed.

**3. Capital Commitment ::**

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances)	1,07,07,619	2,07,26,257

**4. Issue of Convertible Warrants and conversion into Shares ::**

The company has, pursuant to the approval of the share holder of the Company in the Extra ordinary General Meeting held on October 12, 2009, issued Optionally Fully Convertible Warrants of Rs. 23.25 each (including premium of Rs. 13.25 per share) in accordance with provisions of Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines 2000 issued by Securities and Exchange Board of India.

Particulars of applicant/allotment	No. of Warrant Rs. 23.25 each	Date of allotment of Warrant	No. of shares of Rs. 10 each Allotted	Date of allotment of shares	Balance of Warrant
Promoters	12,00,000	December 02, 2009	4,00,000	March 12, 2010	8,00,000
Non-Promoters	2,00,000	December 02, 2009	2,00,000	January 19, 2010	Nil

5. Land, Buildings, Plant & Machinery and Electrical Installations were first revalued in the accounts on April 1, 1994. The same had again been revalued on March 31, 2004 on the basis of reports of approved valuer on market value/replacement cost basis using standard indices. The following revalued amounts (net of withdrawals) remain substituted for the historical cost in the gross block of fixed assets.

(Amount in Rupees)

Particulars	As at March 31, 2010	As at March 31, 2009
Land	2,11,20,000	2,11,20,000
Building	2,74,53,375	2,74,53,375
Plant & Machinery	29,55,23,547	29,55,23,547
Electrical Installation	76,35,020	76,35,020

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

6. (a) In the opinion of the Board, the Current Assets and Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- (b) Account of certain Debtors, Creditors, Banks and Loans & Advances are subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the profit for the year, assets and liabilities, the amounts whereof are presently not ascertainable. The management, however, does not expect any material difference affecting the current year's financial statements.
7. Deposits include Rs. 1,78,02,100 (Previous year Rs.28,07,100) being interest free deposits given towards the use of the office premises to Partnership Firms where certain Directors of the Company are partners.
8. The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and down stream/ value added products. Since the inherent nature of activities as a whole is governed by the same set of risk and returns, these have been grouped as a single segment. No assets are located outside India. The said treatment is in accordance with the accounting standard on "Segment Reporting" (AS-17) as issued by The Institute of Chartered Accountants of India.

**9. Related Parties Disclosures ::**
**(a) List of Related Parties ::**

Parties with whom the Company has entered into transactions during the year in the normal course of the business ::

**Associates / Group companies ::**

Sudarshan Chokhani & Co.

Shriram Chokhani & Co.

Chhaganlal Sheokarandas & Co.

**Key Management Personnel ::**

(i) Mr. Shriram C. Chokhani (Managing Director)

(ii) Mr. Sudarshan S. Chokhani (Joint Managing Director)

**Note:** Related parties are as identified by the Company and relied upon by the Auditors.

**(b) The following transactions were carried out with the related parties in the ordinary course of business ::**

(Amount in Rupees)

Particulars	Associates/ Group Companies	Key Management Personnel	Total
<b>Purchases of goods</b>			
Sudarshan Chokhani & Co.	<b>8,84,46,277</b> (20,21,39,664)	— (—)	<b>8,84,46,277</b> (20,21,39,664)
Shriram Chokhani & Co.	<b>5,56,80,716</b> (5,14,07,784)	— (—)	<b>5,56,80,716</b> (5,14,07,784)
Chhaganlal Sheokarandas & Co.	<b>1,85,06,790</b> (5,13,34,627)	— (—)	<b>1,85,06,790</b> (5,13,34,627)
<b>Finance Charges</b>			
Sudarshan Chokhani & Co.	<b>53,21,631</b> (51,38,188)	— (—)	<b>53,21,631</b> (51,38,188)
Shriram Chokhani & Co.	<b>14,25,712</b> (5,83,499)	— (—)	<b>14,25,712</b> (5,83,499)
Chhaganlal Sheokarandas & Co.	<b>3,89,395</b> (—)	— (—)	<b>3,89,395</b> (—)

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

(Amount in Rupees)

Particulars	Associates/ Group Companies	Key Management Personnel	Total
<b>Loan Taken</b>			
Sudarshan Chokhani & Co.	— (1,23,78,599)	— (—)	— (1,23,78,599)
Shriram Chokhani & Co.	— (14,95,636)	— (—)	— (14,95,636)
Managerial Remuneration – Whole Time Directors	— (—)	<b>65,22,866</b> (10,75,327)	<b>65,22,866</b> (10,75,327)
Managerial Remuneration – Sitting fee to Non-Whole Time Director	— (—)	<b>5,500</b> (—)	<b>5,500</b> (—)

(c) **Balances with Related Parties as on 31st March, 2010 ::**

(Amount in Rupees)

Particulars	Associates/ Group Companies	Key Management Personnel	Total
<b>Unsecured Loans</b>			
Sudarshan S. Chokhani	— (—)	— (16,300)	— (16,300)
<b>Current Liabilities</b>			
Sudarshan Chokhani & Co.	<b>12,91,751</b> (9,39,28,613)	— (—)	<b>12,91,751</b> (9,39,28,613)
Shriram Chokhani & Co.	<b>15,77,684</b> (73,53,928)	— (—)	<b>15,77,684</b> (73,53,928)
Chhaganlal Sheokarandas & Co.	<b>32,19,573</b> (5,13,34,627)	— (—)	<b>32,19,573</b> (5,13,34,627)
<b>Deposits</b>			
Sudarshan Chokhani & Co.	<b>1,77,62,500</b> (27,67,500)	— (—)	<b>1,77,62,500</b> (27,67,500)
Shriram Chokhani & Co.	<b>39,600</b> (39,600)	— (—)	<b>39,600</b> (39,600)
Counter Guarantees given to Bankers	— (—)	<b>20,10,00,000</b> (20,00,00,000)	<b>20,10,00,000</b> (20,00,00,000)

**Note ::** 1. No amounts pertaining to related parties have been provided for as doubtful debts. Also, no amounts have been written off/written back during the year.

2. Previous Year's figures have been given in brackets.

**10. Calculation of Earnings per share ::**

(Amount in Rupees)

Particulars	2009-2010	2008-2009
Profit as per Profit & Loss Account (Rs.)	<b>2,29,66,544</b>	5,02,61,098
Equity Shares (Nos.)	<b>50,17,818</b>	44,17,818
Basic earnings per share (Rs.)	<b>5.13</b>	11.38
Diluted earning per share (Rs.)	<b>4.72</b>	10.24

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**
**11. The break-up of net deferred Tax Assets is as under ::**

		(Amount in Rupees)	
Particulars		2009-2010	2008-2009
<b>Deferred Tax Assets</b>			
Accumulated Business Losses		–	2,15,28,355
Accrued expenses deductible on cash basis		<b>31,29,747</b>	35,45,154
	<b>TOTAL A</b>	<b>31,29,747</b>	2,50,73,509
<b>Deferred Tax Liabilities</b>			
Difference between WDV of fixed assets as per the Income-Tax Act, 1961 and the Companies Act, 1956		<b>1,95,09,367</b>	1,84,45,035
	<b>TOTAL B</b>	<b>1,95,09,367</b>	1,84,45,035
Net Deferred Tax Liabilities/(Assets)	<b>TOTAL (B – A)</b>	<b>1,63,79,620</b>	(66,28,474)

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

**13. Loan & Advances include ::**

Loan where there is no interest or at interest rate below Specified in the Companies Act, 1956	Amount Outstanding as on March 31, 2010 (Rs.)	Maximum Amount outstanding during the year (Rs.)	No. of Equity Shares Held in the Company	Maximum No. of shares held in the Company
Employees (as per general rules of the Company)	<b>14,74,102</b>	14,74,102	–	–

14. (a) Dies (included in stores and spares inventories) of Rs. 7,21,26,290 (Previous year Rs.6,86,38,388) have been valued by a government approved valuer considering their residual useful life and replacement value and relied upon by the Auditors being a technical matter.
- (b) Stores and spares consumed during the year include value of Dies discarded Rs. 44,62,824 (Previous Year Rs.15,44,837) on account of breakage or otherwise and net of related credit of Rs. 9,61,086 (Previous Year Rs.64,34,697).

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

- (i) In respect of gratuity and compensated absences, defined benefit schemes (based on Actuarial Valuation) –

(Amount in Rupees)

Description	Gratuity as on March 31, 2010	Gratuity as on March 31, 2009	Leave Encashment as on March 31, 2010	Leave Encashment as on March 31, 2009
<b>A.</b> Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2010				
– Current Service Cost	<b>4,69,951</b>	4,11,631	<b>1,52,039</b>	1,51,390
– Interest Cost	<b>6,15,845</b>	4,83,008	<b>1,77,639</b>	96,729
– Benefits paid	<b>(4,44,025)</b>	(1,75,987)	<b>(1,40,617)</b>	(1,10,469)
– Net actuarial (gain)/loss recognised during the year	<b>(2,78,368)</b>	11,90,128	<b>(7,65,660)</b>	9,45,360
Total Expense	<b>83,09,784</b>	79,46,381	<b>17,15,523</b>	22,92,122
Less: expenses recognized till March 31, 2009	<b>79,46,381</b>	60,37,601	<b>22,92,122</b>	12,09,112
Net expenses charged to profit & Loss Account	<b>8,07,428</b>	20,84,767	<b>4,35,982</b>	11,93,479

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

(Amount in Rupees)

Description	Gratuity as on March 31, 2010	Gratuity as on March 31, 2009	Leave Encashment as on March 31, 2010	Leave Encashment as on March 31, 2009
<b>B.</b> Actual return on plan assets	-	-	-	-
- Expected return of plan assets	-	-	-	-
- Actuarial (gain)/loss on plan assets	-	-	-	-
- Actual return of plan assets	-	-	-	-
<b>C.</b> Net Asset/(Liability) recognized in the Balance Sheet	-	-	-	-
- Present value of obligation	-	-	-	-
- Fair value of plan assets	-	-	-	-
- Funded status (surplus/(deficit))	-	-	-	-
- Net Asset/(Liability) recognized in the Balance Sheet	-	-	-	-
<b>D.</b> Change in Present value of Obligation during the year ended March 31, 2010				
- Present value of obligation as at April 1, 2009	<b>79,46,381</b>	60,37,601	<b>22,92,122</b>	12,09,112
- Current Service Cost	<b>4,69,951</b>	4,11,631	<b>1,52,039</b>	1,51,390
- Interest Cost	<b>6,15,845</b>	4,83,008	<b>1,77,639</b>	96,729
- Benefits paid	<b>(4,44,025)</b>	(1,75,987)	<b>(1,40,617)</b>	(1,10,469)
- Actuarial (gain)/loss on obligation	<b>(2,78,368)</b>	11,90,128	<b>(7,65,660)</b>	9,45,360
- Present value of obligation as at March 31, 2010	<b>83,09,784</b>	79,46,381	<b>17,15,523</b>	22,92,122
<b>E.</b> Change in Assets during the year ended March 31, 2010				
- Fair value of plan assets as at April 1, 2009	-	-	-	-
- Expected return on plan assets	-	-	-	-
- Contributions made	-	-	-	-
- Benefits paid	-	-	-	-
- Actuarial (gains)/loss on plan assets	-	-	-	-
- Fair value of plan assets as at March 31, 2010	-	-	-	-
<b>F.</b> Major categories of plan assets as a percentage of total plan	-	-	-	-
<b>G.</b> Actuarial Assumptions				
- Discount rate	<b>7.75</b>	8	<b>7.75</b>	8
- Expected rate of return on assets				
- Mortality Rate	<b>LIC (1994-96) Ultimate-</b>	LIC (1994-96) Ultimate-	<b>LIC (1994-96) Ultimate-</b>	LIC (1994-96) Ultimate-
- Future salary increases considering inflation, seniority, promotion and other relevant factors	<b>6</b>	6	<b>6</b>	6

**16. (a) The following expenses have been included in Dies Cost ::**

(Amount in Rupees)

Particulars	2009-10	2008-09
Salaries & Wages	<b>29,73,925</b>	33,44,961
Stores & Spare-parts consumed	<b>9,49,615</b>	9,04,410
Power	<b>2,12,524</b>	1,96,143

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**
**(b) Aggregate of the following expenses debit to Profit & Loss Account ::**

(Amount in Rupees)

Particulars	2009-10	2008-09
Salaries & Wages	3,00,87,108	2,78,02,611
Stores & Spare-parts consumed	1,31,64,418	23,40,686
Power & Fuel	4,67,86,175	4,99,80,917

**17. Research & Development Expenses debited to ::**

(Amount in Rupees)

Particulars	2009-10	2008-09
Salaries and Wages	2,03,371	3,36,768

**18. Payment to Auditors ::**

(Amount in Rupees)

Particulars	2009-10	2008-09
(i) As Audit Fees	2,50,000	2,05,000
(ii) In other capacity		
For Tax Audit	55,000	30,000
For Taxation matters	60,000	40,000
For Management services	85,000	75,000
For certification work	1,75,000	1,39,500
(iii) Out of pocket expenses (excluding service tax)	42,709	13,130
<b>TOTAL</b>	<b>6,67,709</b>	<b>5,02,630</b>

**19. (a) Whole Time Directors' remuneration ::**

(Amount in Rupees)

Particulars	2009-10	2008-09
Salaries and Allowances	39,27,500	10,26,000
Commission	22,05,032	–
Provisions for gratuity	3,90,334	49,327
<b>TOTAL</b>	<b>65,22,866</b>	<b>10,75,327</b>

**(b) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and calculation of Remuneration payable to Directors ::**

(Amount in Rupees)

Particulars	2009-10
Net Profit before tax from ordinary activities	5,83,96,578
Add: Remuneration to Whole Time Directors	61,32,532
Add: Depreciation Provided in the Books	56,26,990
Less: Depreciation Under Section 350 of the Companies Act, 1956	(56,26,990)
Net Profit for the year Under Section 349	6,45,29,110
Maximum amount paid/payable to whole time directors restricted to 10%	64,52,911

**Note ::** This being first year of computation of Managerial Remuneration Under Section 349 of Companies Act, 1956. Figures for previous year are not given.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

20. Additional information pursuant to clause 4(C) Part II of Schedule VI of the Companies Act, 1956.

(a) **Quantitative information in respect of goods manufactured ::**

Particulars	Licensed (MT)*		Installed (MT)		Actual Production (MT) **	
	2009-2010	2008-2009	2009-2010	2008-2009	2009-2010	2008-2009
Aluminium Extrusions	5,000	5,000	8,900	8,900	4,419.325	3,310.114
Aluminium Based Alloys	3,000	3,000	3,000	3,000	31.063	22.984
Metal Dies (Nos.)	(Non-Determinable)					

**Notes ::**

\* (i) Delicensed.

\*\* (ii) (a) Production excludes Aluminium Extrusions 231.383 MT (Previous Year 496.531 MT) of job work done for third party.

(b) Production excludes Nil (Previous Year 10.573 MT) of Aluminium pipes manufactured for captive consumption for making Aluminium Sprinkler Sets.

(iii) Installed capacity is as certified by the management and accepted by auditors, being a technical matter.

(b) **Particulars in respect of Opening and Closing Stock of Finished Goods ::**

Particulars	2009-2010				2008-2009			
	Opening		Closing		Opening		Closing	
	Qty. (MT)	Amount (Rs.)						
Aluminium Extrusions	1.854	1,95,000	13.767	20,59,600	7.006	8,86,585	1.854	1,95,000

Closing Stock includes Aluminium Extrusions 0.523 MT (Previous Year 1.425 MT) rejected by the customers and lying with them at the end of year.

(c) **Particulars in respect of sales (net of excise duty) ::**

Particulars	2009-2010		2008-2009	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Aluminium Extrusions	4407.412	68,36,55,960	3315.266	56,84,81,508
Aluminium Based Alloys	31.063	37,49,737	22.984	20,54,152
Conversion Charges (Job Work)	231.383	95,84,117	496.531	2,12,70,286
M.S. Steel – Trading	–	–	3191.587	10,05,56,977
Sprinkler Systems	–	–	–	54,27,577
Sale of Scrap	–	39,39,106	–	37,99,248
<b>TOTAL</b>	–	70,09,28,920	–	70,15,89,748

(d) **Raw Materials consumed during the year ::**

Particulars	2009-2010		2008-2009	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Aluminum Ingots	1367.300	14,37,82,705	1188.108	14,47,91,334
Aluminum Billets	2744.254	29,57,44,454	2208.738	26,84,67,644
Aluminum Scrap	597.394	5,84,08,743	98.471	1,09,82,897
Others	–	64,31,902	–	71,28,741
<b>TOTAL</b>	–	50,43,67,804	–	43,13,70,616

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**
**(e) Purchase for resale ::**

Particulars	2009-2010		2008-2009	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
M.S. Steel	–	–	3191.587	9,98,12,026

**(f) Value of stores and spare parts consumed ::**

Particulars	2009-2010		2008-2009	
	Amount (Rs.)	%	Amount (Rs.)	%
Imported	6,18,581	4.70	1,61,435	6.90
Indigenous	1,25,45,837	95.30	21,79,251	93.10
<b>TOTAL</b>	<b>1,31,64,418</b>	<b>100.00</b>	<b>23,40,686</b>	<b>100.00</b>

(Amount in Rupees)

Particulars	2009-2010	2008-2009
(g) Value of Import on CIF Basis Components, Spare Parts & Die Steel	<b>14,68,672</b>	1,02,996
(h) Expenditure in Foreign Currency (On Cash basis)	<b>1,05,663</b>	1,42,486
(i) FOB Value of Exports		
(i) In Foreign Currency	–	–
(ii) Rupee Payments — (Deemed Export)	<b>4,32,950</b>	4,37,34,452

**21.** Previous year's figures have been regrouped/rearranged/reclassified wherever necessary to conform to the current year's presentation.

**Signature to Schedules 1-22.**
**For and on behalf of the Board**
**Sudarshan S. Chokhani** — Joint Managing Director

**Manoj O. Shah** — Director

**Mukesh V. Ashar** — Chief Financial Officer

**Kiran G. Inamdar** — Company Secretary

**Place :: Mumbai**
**Date :: April 29, 2010**

**SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**

**ADDITIONAL INFORMATION PURSUANT TO PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

(Rs. in Thousands)

**I. Registration Details**

Registration No.	21541 of 1979	State Code: 11
Balance Sheet Date	Date    Month    Year	
	31        03        2010	

**II. Capital Raised during the Year**

Public Issue	Rights Issue
—	—
Bonus Issue	Private Placement
—	6,021

**III. Position of Mobilisation and Deployment of Funds**

Sources of Funds	Total Liabilities	Total Assets
	3,04,911	3,04,911
	Paid-up Capital	Reserve & Surplus
	50,178	1,19,566
	Share Warrant Application Money	Secured Loans
	4,650	1,04,383
	Unsecured Loans	Deferred Tax Liability
	9,753	16,380
Application of Funds	Net Fixed Assets	Investments
	1,76,823	1
	Net Current Assets	Deferred Tax Assets
	1,28,087	—

**V. Performance of Company**

Turnover	Total Expenditure
7,01,366	6,42,969
Profit Before Tax	Profit After Tax
58,397	22,967
Earning Per Share in Rs. 5.13	Dividend in % 10

**V. Generic Names of Three Principal Products/Services of Company**

Item Code No. (ITC Code)	: 7604.00, 7609.00 & 7610.00
Product Description	: EXTRUSIONS
Item Code No. (ITC Code)	: 4009.50
Product Description	: DRIP IRRIGATION SYSTEM
	Drip Irrigation System with Fittings.
Item Code No. (ITC Code)	: 7609.00
Product Description	: ALUMINIUM SPRINKLERS
	Aluminium Based Sprinkler System with Fittings.

**For and on behalf of the Board**

<b>Sudarshan S. Chokhani</b>	— Joint Managing Director
<b>Manoj O. Shah</b>	— Director
<b>Mukesh V. Ashar</b>	— Chief Financial Officer
<b>Kiran G. Inamdar</b>	— Company Secretary

**Place : : Mumbai**  
**Date : : April 29, 2010**

