

SUDAL INDUSTRIES LIMITED



gaining momentum...

THIRTY SECOND
ANNUAL REPORT
2010-2011

Humble homage to our respected patriarch of the SUDAL FAMILY



Late Shriramji Chokhani

April 02, 1924 - October 27, 2010



A SILENT THOUGHT

A SECRET TEAR

KEEPS YOUR MEMORY

VERY DEAR,

GOD TOOK YOU HOME

IT WAS HIS WILL

BUT IN OUR HEART

YOU STILL LIVE



APRIL 29, 2011
MUMBAI

SUDAL BOARD
STAFF / FAMILY / FRIENDS
SHAREHOLDERS

SUDAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

- Shri Chaitan M. Maniar** – Chairman
Shri Shriram C. Chokhani – Managing Director upto October 27, 2010
Shri Sudarshan S. Chokhani – Managing Director w.e.f. November 1, 2010
Shri Shyantanu S. Chokhani – Jt. Managing Director w.e.f. November 1, 2010
Shri Deokinandan O. 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

BANKERS

Syndicate Bank, Nariman Point, Mumbai-400 021.

STATUTORY AUDITORS

Lodha & Co.
Chartered Accountants,
Karim Chambers, 40, Ambalal Doshi Marg,
Mumbai-400 023.

SOLICITORS & ADVOCATES

India Law Alliance, Mumbai-400 011.

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
E-mail :: nashik@sudal.co.in

CORPORATE OFFICE

26A, Nariman Bhavan,
227, Nariman Point, Mumbai-400 021.
Tel No :: + 91-22-61577100 / 119
E-mail :: mumbai@sudal.co.in

REGISTRAR & SHARE TRANSFER AGENTS

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
E-mail :: sharepro@shareproservices.com

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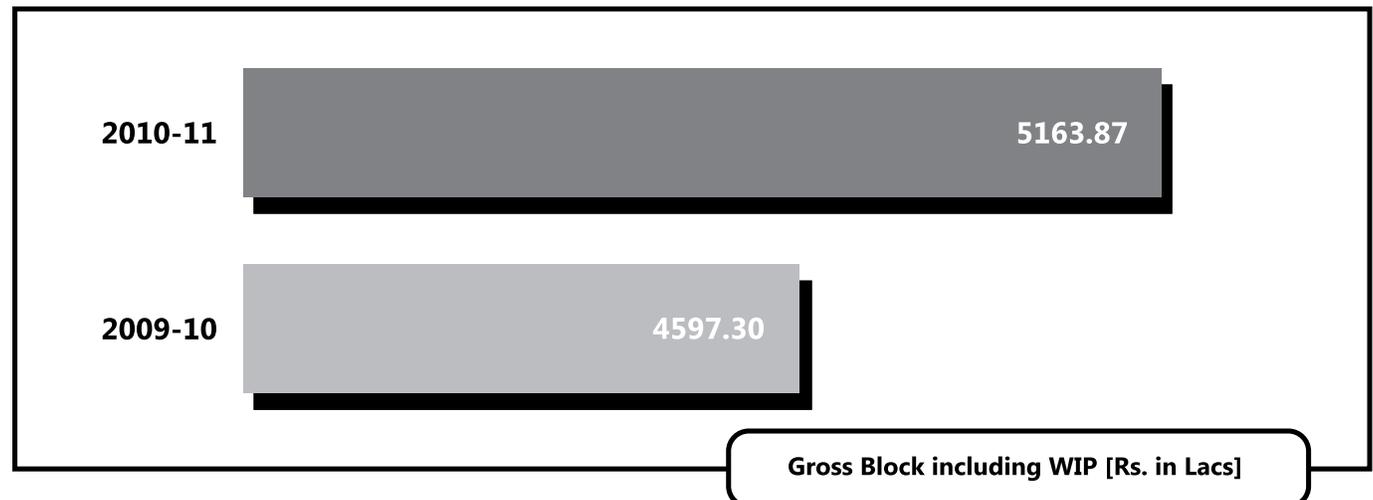
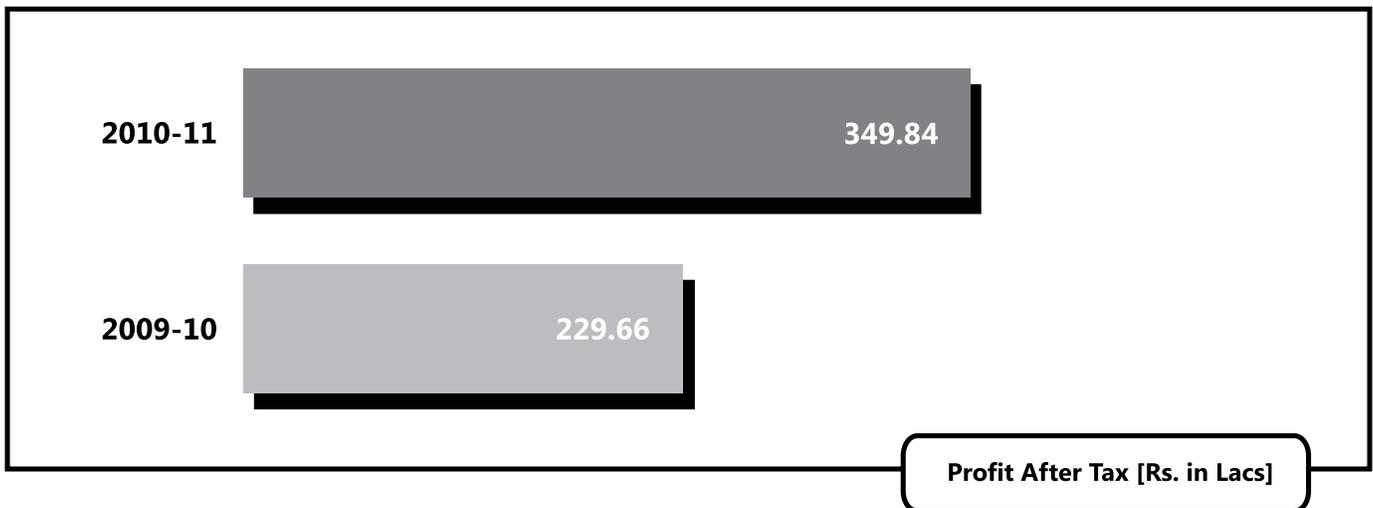
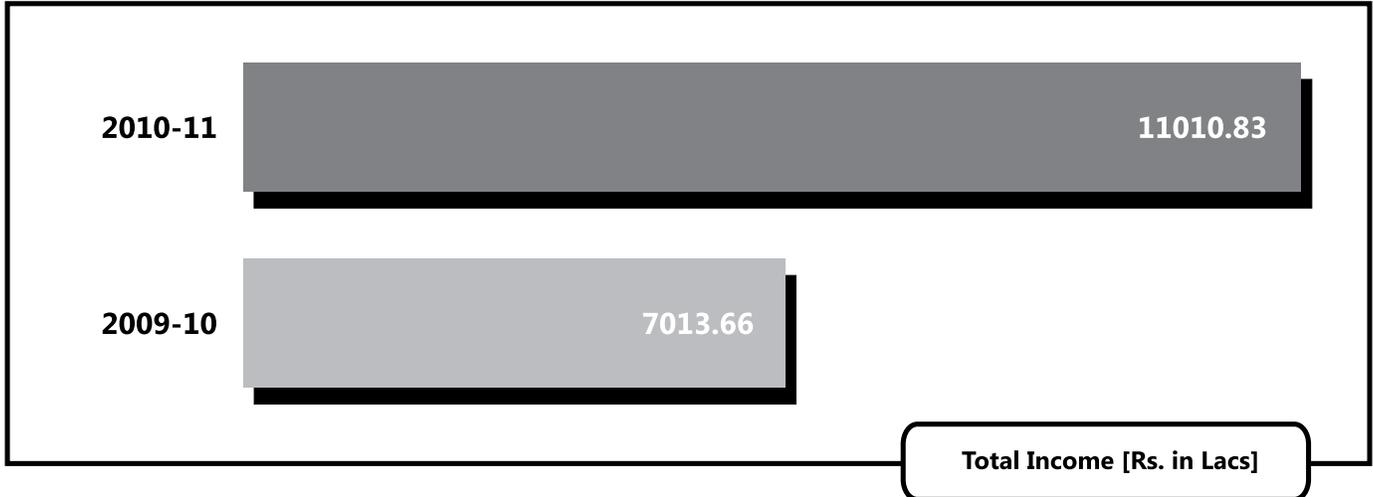
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THIRTYSECOND ANNUAL GENERAL MEETING

DAY : Saturday
DATE : August 27, 2011
TIME : 3.00 P.M.
VENUE : Hotel Sai Palace,
Mumbai Nashik Highway,
CIDCO,
Nashik – 422 010

SUDAL INDUSTRIES LIMITED



NOTICE TO MEMBERS

THE **Thirty Second** Annual General Meeting of the members of the Company will be held at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik - 422 010 on **Saturday, August 27, 2011 at 3.00 p.m.** 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, 2011 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 Deokinandan O. Ajitsaria, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Dinesh C. 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 & Co., 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 Thirty First Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board of Directors to fix their remuneration."

SPECIAL BUSINESS ::

6. To consider and, if thought fit, to pass, with or without modification[s], the following resolution as an Special Resolution ::

"RESOLVED THAT pursuant to the provisions of Sections 198(4), 269, 309 and 310, and other applicable provisions, if any, of the Companies Act, 1956 ["the Act" as amended or re-enacted from time to time] read with the provisions of Schedule XIII to the Act and in terms of the Articles of Association of the Company and as per the recommendation of the Remuneration Committee, approval of the shareholders of the Company be and is hereby accorded to appointment of Shri Shyantanu S. Chokhani as Joint Managing Director of the Company for a period of three years from November 1, 2010 to October 31, 2013 on the terms and conditions as determined by the Board of Directors of the Company and as entered into agreement dated November 3, 2010; the details of which are furnished in the explanatory statement of material facts and in the abstract of the contract dated November 8, 2010 already circulated and, with liberty to the Board of Directors to revise/alter/modify/amend/change the terms and conditions of the said appointment and payment of remuneration to Shri Shyantanu S. Chokhani, Joint Managing Director of the Company from time to time in such manner as may be agreed to between the Board of Directors and the said Shri Shyantanu S. Chokhani."

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the tenure of Shri Shyantanu S. Chokhani, Joint Managing Director of the Company, he shall be paid remuneration at the same substantive level as specified in the Explanatory Statement attached hereto and that such remuneration shall be treated as the Minimum Remuneration payable to him in accordance with Part II of Section II of Schedule XIII to the Act."

RESOLVED FURTHER THAT the Board of Directors of the Company [hereinafter referred to as the "Board" which term shall be deemed to include the Committee of the Board] shall, in accordance with the statutory limits/approvals as may be applicable from time to time being in force, be at full liberty to revise/alter/modify/amend/change the terms and conditions of the Agreement as may be agreed to by the Board and Shri Shyantanu S. Chokhani."

Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2011

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 Nos. 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 Tuesday, August 16, 2011 to Saturday, August 27, 2011 [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 August 27, 2011. The dividend in respect of shares held in electronic form will be payable to the beneficial owners of the shares as at the close of business hours on Monday, August 15, 2011, as per details furnished by the Depositories for this purpose.
- [f] Members are requested to intimate any changes, if any, in their registered address ::
- [i] to their depository participants [DPs] in respect of shares held in Demat form; and
 - [ii] to the Registrar and Share Transfer Agent of the Company, Sharepro Services [India] Private Limited, 13 AB, Samitha Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Lane, Saki Naka, Andheri [East], Mumbai-400 072, in respect of shares held in physical form, quoting their folio numbers.
- As per SEBI's directive, w.e.f. June 26, 2000 all investors can offer delivery of Company's shares in dematerialized form only. 43,16,530 number of shares [78.94%] have been dematerialized as at March 31, 2011.
- Members are requested to take steps to dematerialize their shares held in physical form to have easy liquidity.
The Company's ISIN No. 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 self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
- [g] Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination 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 seeking any information or clarification on the Annual Accounts are requested to send their written queries to the corporate office of the Company at least eight working days prior to the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.
- [i] The Ministry of Corporate Affairs [MCA] has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circular No. 17/2011 dated April 21, 2011 and Circular No. 18/2011 dated April 29, 2011 stating that the companies can now dispatch their documents to the shareholders through electronic mode. As a result, the Companies are now permitted to send various notices/documents to the shareholders on their registered email addresses.

This move of the MCA has empowered the Company to contribute to the "Green Initiative" by reducing the paper consumption. Also, this will ensure timely receipt of the documents and avoid loss of the documents in postal transit.

In view of the above circular, sudal proposes to send all documents including the Annual Report, which inter alia, includes notice convening Annual General Meeting, Auditors' Report, Directors' Report and Financial Statements for the financial year 2011-12 and thereafter in electronic form, to the email address registered by you and made available by the Depositories.

Please note that the Annual Report will also be made available on the Company's Website – www.sudal.co.in

In case any member desires to obtain physical copy of the aforesaid documents is requested to send an email to sharepro@shareproservices.com for the same.

Further, please note that as a shareholder, a member will be entitled to receive all these documents free of cost upon receipt of requisition from him.

All members are requested to whole-heartedly support this initiative of 'Greener Environment' and co-operate with the Company to make it a success.

Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2011

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 ::

Consequent to the demise of respected Shri Shriram Chokhani, Promoter and Founder Director of the Company, Shri Sudarshan Chokhani was re-designated by the Board as Managing Director of the Company.

An Agreement dated November 3, 2010 has been entered into between Sudal Industries Limited [hereinafter called as "the Company/SUDAL/SIL"] and Shri Shyantanu S. Chokhani recording the terms and conditions of his appointment as Joint Managing Director for a period of three years with effect from the November 1, 2010 as approved by the Remuneration Committee and the Board of Directors in their respective meetings held on October 30, 2010 subject to approval of Members of the Company and other concerned authorities, if any.

The Company is manufacturer of Aluminium Extrusions in operation since last 31 years. The operational performance of the Company for the last five years has been improving. The Company is widening its horizon and is *gaining momentum* in operational performance. The Company does not have any Foreign Collaboration. The Company is exploring the possibility of exports of its products.

Shri Shyantanu S. Chokhani's appointment as Joint Managing Director of the Company shall be for a period of three years with effect from November 1, 2010 on the terms and conditions mentioned herein.

Shri Shyantanu S. Chokhani joined the Board of the company w.e.f. December 29, 2008. Shri Shyantanu S. Chokhani has completed his school education from The Cathedral & John Cannon School, Mumbai [Maharashtra] and Higher Secondary from The International School – Bangaluru [Karnataka]. Presently he is completing his graduation in Management Studies [Bachelor of Business Administration] from Nottingham University, U.K. He has exposure to and knowledge of Global Industrial and Business Management Practices and his appointment as Joint Managing Director would be more appropriate and conducive in present Global Scenario to drive the business operations. His assigned role will contribute to the present/future policy decisions for the Company and assist the Board of Directors by participation in the growth plans of the company. The Company would benefit from the active association of Shri Shyantanu Chokhani as the Joint Managing Director under the able leadership and guidance of Shri Sudarshan Chokhani to achieve further much stronger foothold in the Industry.

The Company has embarked upon enhancement of its extrusion capabilities and further expansion plans are on the drawing board. Considering the likely role to be played by him in the Company's ongoing and future endeavors, and keeping in mind the comparable level of remuneration in the industry, the Board of Directors have thought it prudent and desirable to appoint Shri Shyantanu Chokhani as Joint Managing Director for a period of three years on terms and conditions in accordance with the recommendation of the Remuneration Committee in terms of provisions of Schedule XIII of the Companies Act, 1956.

The proposed remuneration and broad terms and conditions of appointment of the joint Managing Director is given below : :

Name	Shri Shyantanu S. Chokhani, Joint Managing Director
Period	November 1, 2010 to October 31, 2013
Salary	Rs. 2,50,000 per month
Commission	Such amount which together with the annual salary and perquisites, shall not exceed 5% of the Net Profit as computed under Section 198/349 of the Act at the end of each financial year during the tenure of the Joint Managing Director.

Other Perquisites : :

- [a] Gratuity payable in accordance with the rules of the Company or as per the Gratuity Act amended from time to time, and the value of such benefits shall not be included in the computation of limits applicable to remuneration or perquisites.
- [b] Free use of the Company's car for business and free telephone facility at residence are not considered as perquisites. No personal long distance calls on telephone are allowed.
- [c] Re-imbusement of all entertainment and traveling and out of pocket expenses actually and properly incurred for the business purpose of the Company.

Other Terms : :

- [1] The Joint Managing Director shall not be entitled to receive the Director's Sitting fees for attending the meetings of the Board of Directors or any committee thereof as appointed by the Board or under any statute.
- [2] If at any time, the Joint Managing Director ceases to be a Director of the Company due to any reason or cause, he shall cease to be the Joint Managing Director as per the terms of the agreement.
- [3] The pecuniary relationship of the Joint Managing Director is to the extent of the transactions being carried out with the related parties in the ordinary course of Business.
- [4] The agreement entered into may be terminated by either party by giving to the other party notice of three months of such termination.

This is an Abstract of the terms of remuneration of Shri Shyantanu S. Chokhani and the resolution for seeking Members' approval pursuant to applicable Sections of The Companies Act, 1956 and the amendments thereof, if any.

Memorandum of Interest : :

Shri Shyantanu S. Chokhani is interested in his contract.

Shri Sudarshan S. Chokhani and Shri Deokinandan O. Ajitsaria Directors of the Company may be considered to be interested as they are related to Shri Shyantanu S. Chokhani.

None of the other Directors of the Company is in any way concerned or interested in the passing of the Resolution.

[Abstract of terms of contract with Shyantanu S. Chokhani has already been circulated to the shareholders, dated November 08, 2010]

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE THIRTYSECOND ANNUAL GENERAL MEETING : :

Item No. 3 and 4 [In pursuant to Clause 49 of the Listing Agreement]

Name of the Director	Shri Deokinandan O. Ajitsaria	Shri Dinesh C. Shah
Date of Birth	November 11, 1944	October 02, 1952
Date of appointment	August 08, 1979	December 29, 2008
Director Identification Number	0024412	00441961
Qualification	B.E. [Mechanical]	B.Com.
Expertise in specific Functional Areas	Business	Business
Directorship held in other public companies	Nil	Nil
Chairmanship/Membership of Committees across other public companies, if any.	Member – 2	Member – 3
Relationship between Directors inter-se	Related to Managing Director and Jt. Managing Director 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, 2011

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 **Thirty Second Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended on March 31, 2011.

I. FINANCIAL RESULTS ::

[Rs. in Lacs]

Particulars	[For the year ended March 31]	
	2011	2010
Total Income	11010.83	7013.66
Earnings before Interest, Depreciation and Tax	993.27	953.79
Interest and Finance Charges	349.78	313.56
Depreciation	103.41	56.27
Profit Before Taxation	540.08	583.96
Provision for Current Tax	168.10	129.75
Taxation for earlier years	[11.31]	[5.53]
Provision for Deferred Tax	33.45	230.08
Profit After Tax	349.84	229.66
Surplus brought forward from previous year	248.73	77.78
Profit available for appropriation	TOTAL 598.57	307.44
APPROPRIATIONS ::		
Proposed Dividend on Equity Shares	54.68	50.18
Tax on Proposed Dividend	9.08	8.53
Surplus carried forward to next Year	534.81	248.73
	TOTAL 598.57	307.44

OPERATIONS AND RESULTS ::

The year gone by has been a momentous one for SUDAL. For the first time your Company has crossed sales of Rs. 10,000 lacs and has achieved record Net Sales of Rs. 11005.26 Lacs and EBIDT of Rs. 993.27 Lacs as compared to net sales of Rs. 7009.29 Lacs and EBIDT of Rs. 953.79 Lacs in the previous year. The Net Sales growth is nearly 57% over the previous year, but for higher depreciation, high interest and finance charges and steep increase in costs of production, [particularly after December 2010] the profit before tax was marginally lower, but due to lower provision for deferred Tax, the profit after tax is Rs. 349.84 Lacs as compared to Rs. 229.66 Lacs in previous year, an increase of approx. 53% over the previous year.

II. DIVIDEND ::

In view of ongoing expansion and future fund requirements, The Board of Directors recommend that dividend be maintained at 10% [Re. 1.00 per equity share of Rs. 10 each] for the year ended March 31, 2011, subject to the approval by the shareholders at the forthcoming Annual General Meeting. The dividend payment on equity shares will amount to Rs. 63.76 Lacs inclusive of tax on dividend of Rs. 9.08 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. 534.81 Lacs is proposed to be retained in the Profit and Loss Account.

IV. BUSINESS REVIEW ::

During the year, Company's manufacturing capacity has been increased with the third Extrusion press commencing operation. Full capacity utilization thereof is expected to be achieved during the current fiscal of 2011-12. Through technological upgradation, your Company is gearing up to meet the challenges of emerging competition. The new press is the state of the art latest technology and for the two existing extrusion press as and when required, processes and equipments have been added/improved/introduced to enhance the quality of the end products. Your Company has gained market share in the Aluminium Extrusion industry. While the current year has started on a positive note in terms of volume growth, there are concerns over rising costs of inputs and inflationary impact on other costs.

V. CAPACITY EXPANSION ::

In view of growing demand from the user industry across various sectors, the Company has envisaged strategic long term initiatives like horizontal and vertical growth in capacities and upgrading existing facilities. The Company is negotiating with a firm to buy its existing running plant alongwith one more extrusion line, which shall add another approx. 6000 TPA capacity to your Company's existing Manufacturing capacity. The total manufacturing capacity would thus be enlarged to 19600 TPA. In addition, the alloy manufacturing capacity is also being commensurately enhanced.

The CAPEX during the current year 2011-12 is estimated at approx. Rs. 2000 Lacs to be financed largely through internal accruals, and balance as Loan through SIDBI under bill discounting scheme and/or other financial institutions/Banks.

The Company has also acquired about additional nine acres of land at Golshi near Nashik. A new plant for additional remelt/manufacturing is planned to be constructed there and commercial production is programmed to commence in Q-2 of 2012-13.

Plans are afoot to start manufacturing operations in other allied fields for which your Company has incorporated a offshore wholly owned subsidiary company at Ras Al Khaimah U.A.E., which in turn shall form its onshore company.

VI. LISTING OF SHARES ::

The Company's securities are listed on the Bombay Stock Exchange Limited, Mumbai. The listing fees for the financial year 2011-2012 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-IV 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, 2011 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 ::

The Founder and Promoter Director of the Company respected Shri Shriram Chokhani, passed away on October 27, 2010 leaving behind his everlasting humane personality of a "True Karmayogi". The Board place on record its sincere appreciation for his immense and valuable contribution to the vision, mission and growth of SUDAL.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri Deokinandan O. Ajitsaria and Shri Dinesh C. 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.

Members approval is being sought for the appointment of Shri Shyantanu S. Chokhani as the Joint Managing Director of the Company on the terms of appointment set out in explanatory statement annexed to the notice of the meeting.

XIV. AUDITORS ::

M/s. Lodha & Co., 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 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 for sustained improvement toward *gaining momentum* in the performance of the Company.

For and behalf of the Board of Directors

Place :: Mumbai
Date :: April 29, 2011

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, 2011.

[A] CONSERVATION OF ENERGY ::

[I] Measures taken to conserve energy ::

- [a] BS EN 16001 ENERGY MANAGEMENT SYSTEM implemented.
- [b] Replaced stretcher head stock II 30HP motor with 20HP motor.
- [c] Replaced 70W HPSV lamps with 22W LED lamps.
- [d] Replaced 250HP lamps with 200W lamps with electronic ballast.
- [e] New 6T melting furnace added to increase casting capacity.
- [f] Added LPG fired homogenising furnace.
- [g] 75Hp x 2 variable displacement hydraulic pump replaced to 2501 HP pump to conserve energy.
- [h] Imported saw installed on press III to increase cutting speed.
- [i] Using energy efficient motor[s] to reduce electricity consumption.

[II] Additional Investment Proposed ::

Coal gassifire [producer gas] plant installation to reduce Energy consumption cost.
270 HP motor speed control by using VFD with fixed delivery pump to reduce electricity consumption.
Press III pump control by using VFD to reduce electricity consumption.
Additional Crane for plant I to improve material handling.
Imported saw for plant I to increase production.
PLC temperature controlling system for billet heater III to reduce LPG consumption and accurate temperature controlling.

[III] Impact of [I] and [II] 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 2010-11	Previous year 2009-10
A. Power and Fuel Consumption ::		
1. Electricity		
[a] Purchased Units	45,26,310	43,60,342
Total Amount [Rs.]	2,62,21,491	2,32,31,951
Av. Rate/Unit [Rs.]	5.79	5.33
[b] Own Generation		
[i] Through Diesel Generator [Units]	—	—
Unit/Ltrs. of Diesel Oil	—	—
Costs/Units [Rs.]	—	—
[ii] Through Steam Turbine/Gas		
Unit-KWH	60,08,305	30,32,788
Unit/Kg.	0.07	0.07
Cost/Unit [Rs.]	3.04	2.78
2. Coal [Specify quality and where used]		
Quantity [Tonnes]	Nil	Nil
Total Cost	Nil	Nil
Average Cost	Nil	Nil
3. Furnace Oil		
Quantity [Ltrs.]	7,88,910	6,55,270
Total Amount [Rs.]	2,03,67,222	1,49,96,476
Average Rate [Rs./Ltr.]	25.82	22.89
4. Other [Internal Generation]		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
B. Consumption per ton of production ::		
Electricity [Units]	674.75	931.34
Furnace Oil [Ltrs.] [for casting]		
Aluminium Billets	101.87	106.87
Alloy	—	—
Coal [Specify Quality]	Nil	Nil
Others [Specify]	Nil	Nil

[B] TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION ::

1. Efforts in brief made towards absorption, adaptation and innovation. :: Constant upgradation of Technical Knowledge, Attending Extrusion Technology Seminar and through Foreign visits to Extrusion Plants
2. Benefit derived as a result of the above efforts i.e. Product improvement, Cost reduction, Product development, import substitution etc. :: 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 :: —
 - [d] If not fully absorbed areas where reason therefore and future plans of action. :: —

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 :: Ageing furnace capacity augmentation
2. Benefit derived :: [i] Improved Quality of finished product.
[ii] Increase in production rate.
3. Future plan of action :: [i] Coal gassifire [producer of gas] plant installation.
[ii] Fixed displacement pump-motor speed control by V F D
4. Expenditure in R & D :: [Amount in Rupees]

Capital	—
Recurring	2,03,000
TOTAL	<u>2,03,000</u>

Total R & D expenditure as a percentage of turnover
0.02% [Approx.]

[C] FOREIGN EXCHANGE EARNINGS & OUTGO ::

The Company is exploring the possibility of export for its products. However, exports are not competitive compared to domestic opportunities.

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 March 31, 2011.

For and behalf of the Board of Directors

Place :: Mumbai
Date :: April 29, 2011

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, 2011. 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 ::

India has been largely successful in maintaining its growth buoyancy after the 2008-09 downturn in all sectors of the economy. The fundamentals of Indian Economy continue to be comparatively stronger than other Asian Countries. In 2009-10 GDP grew by 7.40%, and though the GDP growth forecasted is above 8.50%, recent extraneous factors have forced the Government to moderate it to below 8.00%.

The biggest concern is the increasing raw material prices which has since December 2010 started making significant impact on overall cost increase and is denting our plans of rapid growth. Driving down manufacturing cost, timely execution of capacity expansion, and precise forecasting are the omnipresent challenges to be faced locally and globally.

2. COMPANY OVERVIEW ::

2010-2011 was a platform year for Growth in terms of substantial increase in casting capacity, starting a third extrusion press, strict financial discipline and concentrating on high margin products. The Company has formulated further growth plans to be executed over a period of next two to three years, the details of which are elaborated in the Director's report.

3. OPPORTUNITIES ::

Your Company in fact has started consolidating its pre-eminent position as a leading and premier aluminum extrusion manufacturer. Our experience of more than three decades in the business is precisely the biggest advantage in our consolidation and growth exercise started from last year. A multigrowth plan is being progressively implemented to achieve more than that what have been achieved in the last 5 years. Blueprints for further Capacity expansion and a new brownfield project are under preparation and being finalised. New land of approx nine acres has been purchased near Nashik which is expected to commercially start production from Q2-2012 onwards.

"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. End use sectors of Aluminum extrusions like the Power, Electrical, construction, Transportation and Packaging have witnessed aggressive growth and prediction for the future are even brighter. The other high growth application sectors are consumer durables, building systems, defense, PSU's, railways, switchgears, automobiles and infrastructure industry. The per capita consumption of aluminum in India is very low at approximately 1.3 kgs compared to 12 kgs in China, 28 Kgs in USA and 39 kgs in Germany. The World average consumption is 7.4 kgs. [source: Aluminium Association of India/Bangalore] This scenario inspires us to tap tremendous growth opportunities that are being unfolded. Almost every day use of Aluminum extrusion is being enlarged and with advanced technological developments, new applications thereof are being explored by the present user industries and new users. Aluminum extrusion has very promising future. With the expansion of capacities in the user industries demand for aluminum extrusion is estimated to grow at more than 10-15% per annum for the next couple of years.

Sudal has its own broad production and application knowledge of the business. The future focus is on research and development for newer applications in the user industry and new uses for existing products. Starting from 2011, Your Company has taken significant steps towards creating a customer centric organization to deliver path breaking innovations and establish national leadership with global aspirations. The third extrusion press has stabilized and plans are afoot to start the fourth & fifth presses in second quarter of the current financial year.

4. THREATS, RISKS AND CONCERNS ::

The Company's 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. Going forward, the Company is concerned about the present volatility in raw materials prices, which has been adversely affecting input costs. The volatility is likely to stay for a while owing to the peculiar economic scenario prevalent locally as well as globally. This phenomenon has been duly factored in while reviewing the company's short term business outlook which is monitored with cautious optimism.

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.

5. OUTLOOK ::

India continues to remain one of the fastest growing economies in the world with a growth rate of around 8.00% during 2010-11. There is visible broad based growth momentum. Industrial output has been robust, albeit, with greater volatility. Your Company's business strategy for the current financial year would be to consolidate and grow the business, to focus on high quality and value market segments. Further your company would focus on improving the operating margins through better productivity, greater focus on logistics, effective working capital management and to secure an improved share of the domestic market. The concern however, remains on the prevailing uncertainty about raw material and oil price.

6. INTERNAL CONTROL SYSTEMS ::

Your Company has an adequate internal control procedure which is commensurate with the size and nature of business. Detailed procedural manuals are in place to ensure that all the assets are safeguarded, protected against loss and all transactions are authorized, recorded and reported correctly. The internal control systems of the company are monitored and evaluated by internal auditors and audit reports are periodically reviewed by the Audit Committee and the Board of Directors. The 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 ::

Development of sophisticated extruded sections for Truck Body Kits/Bus Body Systems has been undertaken and monitored with constant follow up. The down-stream activity of various other sophisticated end users for value added products is being monitored vigilantly.

8. TOTAL QUALITY MANAGEMENT ::

The Company has been re-certified for Management System ISO 9001 : 2008 certification, ISO/TS 16949 : 2009, as also SA 000:2008 for Social Responsibility.

It has also received certificates from T.U.V. NORD INDIA LTD., for I.S.O. 14001-2004 Standard [Environmental management system and I.S.O. 18001-2007 Standard [Ohasas-occupational hazards safety assessment series system]].

9. HUMAN RESOURCES AND INDUSTRIAL RELATIONS ::

Your Company believes that the competence and commitment of the people are the principal drivers of competitive advantage that enable the enterprise to create and deliver value. The industrial relations of your Company continues to remain harmonious with focus on improving productivity, quality and safety. During the year, Training needs were identified in a systematic manner and regular training programmes organized with a view to enhance workers knowledge and application skills. Technical and Safety training programmes were also held periodically. March 04, 2011 to March 10, 2011 was observed as the National safety week.



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 initiatives in respect Corporate Social Responsibilities at Nashik ::

- [a] "Sudal Welfare Center" has been established and managed for which a resident Doctor from Nashik has been appointed and on daily basis 40/50 poor, needy and sick people of the Society are checked free of charge/cost with medicines.
- [b] For use of needy and poor people, who are residing in the vicinity of our Plant, One drinking water connection of MIDC has been provided.
- [c] In association with The National Association for the Blind [NAB] Nashik, Your Company has been contributing to provide relief to blind people by giving them job work, etc.
- [d] Blood Donation Camp for Social causes in association with M/s. Arpan Blood Bank, Nashik is arranged by SUDAL every year.
- [e] Programmes are held every year to celebrate academic success at S.S.C. by children of employees and Awards are distributed to them.

**12. SAP ::**

The SAP system, introduced during the previous year in parts is expected to be fully implemented and stabilised in the current year the system would help in strengthening the MIS and the internal control procedures.

13. 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 be indicated in such statements.

For and behalf of the Board of Directors

Place :: Mumbai
Date :: April 29, 2011

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 guidelines.

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 ::

1. COMPOSITION ::

The Board of Directors comprises of ::

- One Managing Director [Promoter group]
- One Joint Managing Director [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 [up to October 27, 2010] [Promoter group]	–	–	–	–	No
Shri Sudarshan S. Chokhani	Managing Director [Promoter group]	–	01	02	05	Yes
Shri Shyantanu S. Chokhani	Jt. Managing Director [November 01, 2010] Related [Promoter group]	–	–	–	03	Yes
Shri Deokinandan Ajitsaria	Non Executive – Related – Independent	–	–	02	01	No
Shri Chaitan M. Maniar	Chairman – Non Executive Independent	15	01	08	04	No
Shri Manoj O. Shah	Non Executive – Independent	01	02	04	05	Yes
Shri Dinesh C. Shah	Non Executive – Independent	–	–	03	05	Yes

2. MEETINGS OF THE BOARD OF DIRECTORS ::

During the year 2010-2011, the Board met Five times on ::

- [1] April 29, 2010
- [2] July 30, 2010
- [3] October 30, 2010
- [4] January 31, 2011
- [5] March 24, 2011

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 and practices; 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 29, 2010 ; [2] July 30, 2010 ; [3] October 30, 2010 and [4] January 31, 2011

Name of the Director	Category	No. of Meetings attended
Shri Manoj O. Shah	Independent – N E D [Chairman]	4
Shri Sudarshan S. Chokhani	Managing Director – [Member]	4
Shri Deokinandan O. Ajitsaria	Independent – N E D Related – [Member]	1
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 Audit Committee.

The Chairman of the Audit Committee Shri Manoj O. Shah was present at 31st Annual General Meeting held on September 25, 2010.

II. REMUNERATION COMMITTEE ::**Terms of reference ::**

- [1] Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/ 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 2010-2011, the Committee met on [1] October 30, 2010

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]	1
Shri Sudarshan S. Chokhani	Managing Director – [Member]	1
Shri Deokinandan O. Ajitsaria	Independent – N E D Related – [Member]	1
Shri Dinesh C. Shah	Independent – N E D [Member]	1

N E D :: Non Executive Director

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

III. SHAREHOLDERS/INVESTORS GRIEVANCE 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 improve the efficiency in investors service, wherever possible.

Composition of the committee ::

The Committee comprises of Three Directors, namely,

Name of the Director	Category
Shri Sudarshan S. Chokhani	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 2010-2011, Sixteen Meetings of the Committee were held. The Company has received total 19 complaints during the year 2010-11 which were attended and no complaint is pending at the year end.

The Company Secretary acts as the Secretary of the said Committee and he is also designated as the Compliance Officer.

As per the revised Clause 47 [F] of the listing agreement of the BSE the Company has set up an exclusive e-mail id namely inamdar@sudal.co.in to enable the investors to register their compliants, if any.

IV. SHARE TRANSFER COMMITTEE ::**Terms of Reference ::**

The Company has share transfer committee with the following terms of reference : :

[A] Transfer/transmission/transposition of shares;

[B] Consolidation/splitting of shares;

[C] Issue of duplicate share certificates, sub division, consolidation, rematerialized, defaced shares, Review of shares dematerialized and all other related matters.

Composition of the committee ::

Name of the Director	Category
Shri Sudarshan S. Chokhani	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.

The Committee met Sixteen times during the year.

4. REMUNERATION OF DIRECTORS ::

[Rupees in thousands]

Name of the Director	Sitting Fees	Salary [Basic + HRA]	Perquisites & Allowances	PF Contribution	Commission	Total
Shri Shriram C. Chokani	–	1709.67	–	–	–	1709.67
Shri Sudarshan S. Chokhani	–	3000.00	–	–	–	3000.00
Shri Shyantanu S. Chokhani	–	1250.00	–	–	–	1250.00
Shri Deokinandan O. Ajitsaria	6.00	–	–	–	–	6.00
Shri Chaitan M. Maniar	12.00	–	–	–	–	12.00
Shri Manoj O. Shah	46.50	–	–	–	–	46.50
Shri Dinesh C. Shah	46.50	–	–	–	–	46.50

5. COMPLIANCE OFFICER ::

Shri Kiran G. Inamdar
Company Secretary
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 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 ensures that the Board is periodically informed of the material risks faced by the Company and the appropriate steps are taken by the Management to mitigate those risks.

VI. ALLOTMENT OF EQUITY SHARES DURING THE YEAR ::

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

Date of Allotment	No. of Shares Allotted	Authorised Capital	Paid-up Capital
March 24, 2011	4,50,000	6,00,00,000	5,46,78,180

Shares were allotted on conversion of 4,50,000 OFC Warrants out of 12,00,000 OFC Warrants issued at Rs. 23.25 each.

LISTING APPROVAL FROM BSE ::

Final listing and trading permission from BSE was received on May 17, 2010 for 4,00,000 Equity Shares issued and allotted on March 12, 2010. Consequent to conversion of OFC Warrants for 4,50,000 Equity Shares allotted on March 24, 2011.

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 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 impacting 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.

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
2009-2010	September 25, 2010	3:30 p.m.	} Hotel Sai Palace, Mumbai-Nashik Highway, CIDCO, Nashik-422010.
2008-2009	July 18, 2009	3:30 p.m.	
2007-2008	June 02, 2008	3:30 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
2009-2010	One
2008-2009	One
2007-2008	Two

10. DETAILS OF DIRECTORS SEEKING REAPPOINTMENT ::

As required under Clause 49 IV [G] [i] particulars of Directors seeking reappointment are given on page 7 of this report in the Explanatory Statement annexed to the Notice of Annual General Meeting to be held on August 27, 2011.

11. GENERAL SHAREHOLDERS INFORMATION ::

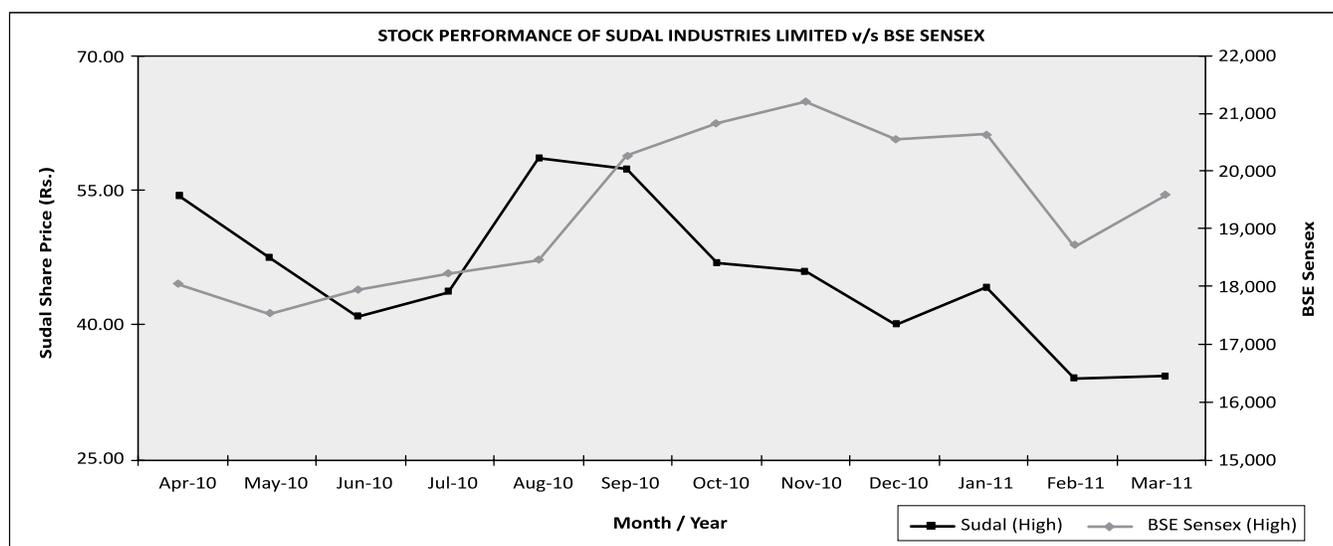
Date of Incorporation	::	August 08, 1979
Corporate Identity Number [CIN]	::	L21541MH1979PLCO21541
Registered Office and Plant	::	A-5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422 010 [Maharashtra] Tel. No. :: +91-253-6636201/229 Email :: nashik@sudal.co.in
Corporate Office [Address 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, August 27, 2011
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 August 16, 2011 to August 27, 2011 [both days inclusive]
Date and Time of Receipt of Proxy	::	August 25, 2011 before 3.00 p.m.
Financial Calendar: 2011-2012	::	April 1, 2011 to March 31, 2012
First Quarter ending June 30, 2011	::	4 th Week of July, 2011
Second Quarter ending September 30, 2011	::	4 th Week of October, 2011
Third Quarter ending December 31, 2011	::	4 th Week of January, 2012
Fourth Quarter ending March 31, 2012	::	2 nd Week of May, 2012
Listing on Stock Exchange	::	The Bombay Stock Exchange Limited 25 th 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 2011-2012 have been duly paid.
BSE Stock Code	::	506003
International Security Identification Number [ISIN] Code	::	INE-618D01015
Dividend Payment/Credit date	::	On or after August 28, 2011
Outstanding Optionally Fully Convertible Warrants	::	3,50,000 OFC Warrants 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 2011 is as under ::

Period	SIL Price Data		BSE Sensex	
	High [Rs.]	Low [Rs.]	High	Low
2010 – April	54.50	42.35	18047	17276
May	47.50	34.25	17536	15960
June	41.00	35.00	17919	16318
July	43.55	34.30	18237	17395
August	58.75	40.60	18475	17819
September	57.50	40.00	20267	18027
October	46.85	40.10	20854	19768
November	45.90	34.00	21108	18954
December	39.95	27.05	20552	19074
2011 – January	44.30	28.05	20664	18038
February	34.00	26.25	18690	17295
March	34.40	26.55	19575	17792

BSE closing market price as at **March 31, 2011 – Rs. 29.50**

**13. DISTRIBUTION OF EQUITY SHARE HOLDING AS AT MARCH 31, 2011 ::**

No. of shares Held	Number of share holders	% of share holders	Aggregate shares held	% of shareholding
1 - 500	10,023	94.539	8,74,478	15.993
501 - 1000	317	2.990	2,48,171	4.539
1001 - 2000	120	1.132	1,80,145	3.295
2001 - 3000	45	0.424	1,16,543	2.131
3001 - 4000	32	0.302	1,13,757	2.081
4001 - 5000	09	0.085	44,257	0.809
5001 - 10000	26	0.245	2,06,598	3.778
10001 and above	30	0.283	36,83,869	67.374
TOTAL	10,602	100.000	54,67,818	100.000

14. SHARE HOLDING PATTERN AS AT MARCH 31, 2011 ::

Category	Number of Shareholders	No. of Shares held	% of share holding
Indian Promoters/Relatives	17	26,33,658	48.17
Banks	01	50	0.00
Foreign Corporate Bodies	01	4,25,300	7.78
Corporate Bodies	99	3,05,648	5.59
Indian Public	10,448	20,69,016	37.84
NRI's/OCB's	36	34,146	0.62
TOTAL	10,602	54,67,818	100.00

15. REGISTRAR AND TRANSFER AGENT ::

[For physical and Demat]

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

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 ::

As per Notification issued by SEBI, with effect from June 26, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depository Limited [NSDL] and the Central Depository Services [India] Limited [CDSL].

78.94% of the Company's total paid up capital representing 43,16,530 equity shares were held in dematerialised form as at March 31, 2011 and the balance 21.06% representing 11,51,288 equity shares were held in physical form.

18. ADDRESS FOR CORRESPONDENCE WITH DEPOSITORIES ::**National Securities Depositories Limited**

Trade Centre, 4th and 5th Floor,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400013.
Telephone No.:: 022-2499 4200
Fax Nos. : : 022-2497 2993/6351
E-mail : : info@nsdl.co.in
Website : : www.nsdl.co.in

Central Depositories Services [India] Limited

Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street,
Mumbai-400 001.
Telephone No. : : 022-2272 3333
Fax Nos. : : 022-2272 3199/2072
E-mail : : investors@cDSL.com
Website : : www.cdslindia.com

For and behalf of the Board of Directors

Place :: Mumbai
Date :: April 29, 2011

Chaitan M. Maniar
Chairman

ANNEXURE - IV

Statement of Particulars under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employee) Rules 1975 for the year ended March 31, 2011 and forming part of the Director's Report

Employed throughout the financial year

S. No.	Name	Designation	Qualification (s)	Age	Date of commencement of employment	Total experience	Nature of employment whether contractual or otherwise	Nature of duties of the employee	Gross remuneration Rs.	Previous employment/ Designation
1	Sudarshan S. Chokhani	Managing Director	B.Com., AMP in Financial Management	57	Nov. 01, 1988	37	Contract	General Management	30,00,000	Nil

Employed for part of the financial year

S. No.	Name	Designation	Qualification (s)	Age	Date of commencement of employment	Total experience	Nature of employment whether contractual or otherwise	Nature of duties of the employee	Gross remuneration Rs.	Previous employment/ Designation
1.	Shriram C. Chokhani	Managing Director	B.Com., DBM (ECP, USA)	86	Nov. 01, 1980 (Upto Oct. 27, 2010)	66	Contract	General Management	17,09,677	Nil
2.	Shyantanu S. Chokhani	Joint Managing Director	Appeared B.B.A., (U.K.)	20	Nov. 01, 2010	—	Contract	General Management	12,50,000	Nil

Notes: 1. Shri Shiram C. Chokhani was a relative of the following Directors ::

(a) Shri Sudarshan S. Chokhani (b) Shri Deokinandan O. Ajitsaria and (c) Shri Shyantanu S. Chokhani.

2. Shri Sudarshan S. Chokhani is a relative of the following Directors ::

(a) Shri Shiram C. Chokhani (b) Shri Deokinandan O. Ajitsaria and (c) Shri Shyantanu S. Chokhani.

3. Shri Shyantanu S. Chokhani is a relative of the following Directors ::

(a) Shri Sudarshan S. Chokhani (b) Shri Deokinandan O. Ajitsaria.

4. Remuneration includes salary, taxable value of perquisites.

DECLARATION BY THE MANAGING DIRECTOR OF CODE OF CONDUCT

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 2010-2011.

Place :: Mumbai
Date :: April 29, 2011

For Sudal Industries Limited
Sudarshan S. Chokhani
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, 2011 the Company has complied with the requirements of the said sub-clause.

Place :: Mumbai
Date :: April 29, 2011

For Sudal Industries Limited
Sudarshan S. Chokhani
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.

Place :: Mumbai
Date :: April 29, 2011

For Sudal Industries Limited
Kiran G. Inamdar
Company Secretary

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, 2011, 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 were 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.

Place :: Mumbai
Date :: April 29, 2011

For LODHA & CO.
Chartered Accountants
Firm Reg. No. 301051E
A. M. Hariharan
Partner
Membership No. 038323

AUDITORS' REPORT

To The Members

Sudal Industries Limited

We have audited the attached balance sheet of SUDAL INDUSTRIES LIMITED as at March 31, 2011, the profit and loss account and 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 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 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, issued by the Central Government of India in terms of sub-section [4A] of section 227 of the Companies Act, 1956 [hereinafter referred to as "the Act"], we Annex hereto 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, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards prescribed by Companies [Accounting Standards] Rules, 2006, to the extent applicable;
- [v] On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director of the Company 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 "Significant Accounting Policies and Notes to Accounts" in Schedule '21 & 22' and other notes 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, 2011;
 - 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 & CO.**
Chartered Accountants
Firm Registration No. 301051E

A. M. Hariharan
Partner
Membership No. 038323

Place :: Mumbai
Date :: April 29, 2011

ANNEXURE TO THE AUDITORS' REPORT**Annexure referred to in paragraph 3 of our report of even date on the Financial Statements as at and for the year ended March 31, 2011 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 ::

- [i] [a] The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- [b] According to the information and explanations given to us, the fixed assets have been physically verified by the management at the year end which is considered reasonable having regard to the size of the Company and the nature of assets and no material discrepancies were noticed on such verification.
- [c] During the year, no substantial part of the fixed assets has been disposed of by the company.
- [ii] [a] The inventory 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 March 31, 2011 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 inventories 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 inventories 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.
- [iii] As informed, 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.
- [iv] In our opinion and according to the information and explanations given to us, having regard to the explanation given to us and having regard to the fact that some of the items purchased are of special nature and in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there are adequate internal control procedures 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. During the course of our audit, no major weakness has been noticed in the internal control system.
- [v] [a] According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act.
- [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.
- [vi] The Company has not accepted any public deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder.
- [vii] In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- [viii] 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.
- [ix] [a] According to the records examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth-tax, Service tax, Customs Duty, Excise Duty, cess and other material statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2011 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, 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.
- [x] The Company has no accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- [xi] In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- [xii] In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- [xiii] In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4[xiii] of the Order are not applicable to the Company.
- [xiv] In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4[xiv] of the Order are not applicable to the Company.
- [xv] 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.
- [xvi] 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.
- [xvii] 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.
- [xviii] The Company has made preferential allotment of 12,00,000 Optionally Fully Convertible ["OFC"] Warrants to one of the promoters. Out of which, the Company has converted 8,50,000 OFC warrants into 8,50,000 equity shares of Rs.10 each at a premium of Rs.13.25 each [conversion during the year of 4,50,000 OFC warrants into 4,50,000 equity shares]. Considering the price norms prescribed by SEBI have been followed, in our opinion price at which shares have been issued is not prejudicial to the interest of the Company.
- [xix] The Company has not issued any debentures during the year or in the recent past.
- [xx] The Company has not raised any money by public issues during the year or in the recent past.
- [xxi] During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have been informed of such case by the management.

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

A. M. Hariharan
Partner
Membership No. 038323

Place :: Mumbai
Date :: April 29, 2011

BALANCE SHEET AS AT MARCH 31, 2011

[Amount in Rupees]

Particulars	Schedule No.	As at March 31, 2011		As at March 31, 2010
SOURCES OF FUNDS ::				
SHAREHOLDERS' FUNDS				
Share Capital	1	5,46,78,180		5,01,78,180
Reserves and Surplus	2	14,76,36,386		11,95,66,471
			20,23,14,566	16,97,44,651
SHARE WARRANT APPLICATION MONEY [Refer Note No. 3 in Schedule '22']			20,34,375	46,50,000
LOAN FUNDS				
Secured Loans	3	10,74,25,424		10,43,82,877
Unsecured Loans	4	1,67,49,359		97,53,443
			12,41,74,783	11,41,36,320
DEFERRED TAX LIABILITY [NET]			1,97,24,247	1,63,79,620
TOTAL			34,82,47,971	30,49,10,591
APPLICATION OF FUNDS ::				
FIXED ASSETS				
Gross Block	5	48,64,18,736		43,30,97,226
Less : Depreciation		29,94,16,511		28,29,07,079
Net Block		18,70,02,225		15,01,90,147
Capital Work-in-Progress		2,99,68,937		2,66,32,731
			21,69,71,162	17,68,22,878
INVESTMENTS	6		1,000	1,000
CURRENT ASSETS, LOANS AND ADVANCES				
Inventories	7	14,64,62,854		11,54,47,210
Sundry Debtors	8	17,37,40,013		12,07,04,971
Cash and Bank Balances	9	3,95,163		60,206
Loans and Advances	10	4,88,26,244		3,65,92,560
			36,94,24,274	27,28,04,947
Less: CURRENT LIABILITIES AND PROVISIONS				
Current Liabilities	11	20,22,08,855		11,59,43,262
Provisions	12	3,59,39,610		2,87,74,972
			23,81,48,465	14,47,18,234
NET CURRENT ASSETS			13,12,75,809	12,80,86,713
TOTAL			34,82,47,971	30,49,10,591
Significant Accounting Policies	21			
Notes to Accounts	22			

Schedules referred to above form part of the Balance Sheet.

As per our attached report of even date

For **LODHA & COMPANY**
Chartered Accountants**A.M. Hariharan**
PartnerPlace :: Mumbai
Date :: April 29, 2011

For and on behalf of the Board

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

Place :: Mumbai
Date :: April 29, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

[Amount in Rupees]

Particulars	Schedule No.	Year ended March 31, 2011		Year ended March 31, 2010
INCOME ::				
Sales and Other Operating Income	13	1,20,80,26,749		75,89,75,748
Less : Excise Duty		10,75,00,527		5,80,46,828
Net Sales			1,10,05,26,222	70,09,28,920
Other Income	14		5,56,450	4,36,699
Increase/[Decrease] in Stock	15		1,30,55,194	1,69,86,731
TOTAL			1,11,41,37,866	71,83,52,350
EXPENDITURE ::				
Consumption of Raw Materials	16	85,73,56,003		50,43,67,804
Manufacturing Cost	17	9,43,77,785		6,82,89,851
Payments to and Provisions for employees	18	3,78,00,854		3,00,87,108
Other Expenses	19	2,52,76,321		2,02,28,491
TOTAL			1,01,48,10,963	62,29,73,254
Profit before Interest and Depreciation			9,93,26,903	9,53,79,096
Interest and Finance Charges	20		3,49,78,409	3,13,55,528
Depreciation		1,68,41,340		1,21,26,955
Less: Transferred from Revaluation Reserve		[64,99,965]		[64,99,965]
			1,03,41,375	56,26,990
PROFIT BEFORE TAX			5,40,07,119	5,83,96,578
Provision for : Current Tax			1,68,10,000	1,29,75,000
: Taxation for Earlier Year			[11,30,856]	[5,53,060]
: Deferred Tax Liability			33,44,627	2,30,08,094
PROFIT AFTER TAX			3,49,83,348	2,29,66,544
Balance brought forward from previous year			2,48,73,630	77,77,683
PROFIT AVAILABLE FOR APPROPRIATION	TOTAL		5,98,56,978	3,07,44,227
APPROPRIATIONS ::				
Proposed Dividend			54,67,818	50,17,818
Corporate Dividend Tax			9,08,150	8,52,779
Balance carried to Balance Sheet			5,34,81,010	2,48,73,630
TOTAL			5,98,56,978	3,07,44,227
Earning per Share [Refer Note no. 9 of Schedule '22']				
Basic			6.96	5.13
Diluted			6.51	4.72
Significant Accounting Policies	21			
Notes to Accounts	22			

Schedules referred to above form part of the Profit and Loss Account.

As per our attached report of even date

For **LODHA & COMPANY**
Chartered Accountants**A.M. Hariharan**
PartnerPlace :: Mumbai
Date :: April 29, 2011

For and on behalf of the Board

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

Place :: Mumbai
Date :: April 29, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

[Amount in Rupees]

Particulars	Schedule No.	Year ended March 31, 2011	Year ended March 31, 2010
A. Cash Flow from Operating Activities			
Net Profit before Tax as per Profit and Loss Account		5,40,07,119	5,83,96,578
Adjustment for : :			
Depreciation		1,03,41,375	56,26,990
Profit on sale of Fixed Assets		[16,750]	—
Interest – Paid		3,49,78,409	3,13,55,528
Operating Profit before Working Capital changes		9,93,10,153	9,53,79,096
Adjustment for : :			
(Increase)/Decrease in Debtors		[5,30,35,042]	7,25,38,371
(Increase)/Decrease in Inventories		[3,10,15,644]	[1,43,75,745]
(Increase)/Decrease in other current assets		[1,22,33,683]	[1,20,93,393]
(Increase)/Decrease in current liabilities		8,84,84,061	[14,13,19,363]
Cash generated from operation		9,15,09,845	1,28,966
Taxes Paid		[1,12,38,345]	[55,50,184]
Net Cash from Operation Activities (A)		8,02,71,500	[54,21,218]
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		[5,70,13,763]	[3,10,14,851]
Sale of Fixed Assets		40,888	—
Net Cash used in Investing Activities (B)		[5,69,72,875]	[3,10,14,851]
C. Cash Flow from Financing Activities			
Proceeds from Shares and Warrants		78,46,875	1,86,21,000
(Repayment)/Proceeds from Bank Borrowings		30,42,547	4,53,37,311
Receipt/(Repayment) of other Loan		69,95,916	97,37,143
Interest – Paid		[3,49,78,409]	[3,13,55,528]
Dividend – Paid		[58,70,597]	[58,70,597]
Net Cash used in Financing Activities (C)		[2,29,63,668]	3,64,69,329
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		3,34,957	33,260
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		59,206	25,946
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		3,94,163	59,206
Significant Accounting Policies	21		
Notes to Accounts	22		

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] given as a lien.
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

A.M. Hariharan
Partner

Place :: **Mumbai**
Date :: **April 29, 2011**

For and on behalf of the Board

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

Place :: **Mumbai**
Date :: **April 29, 2011**

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
SHARE CAPITAL ::		
AUTHORISED		
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
ISSUED		
55,70,012 Equity Shares of Rs. 10 each [Previous Year 51,20,012 Equity Shares of Rs. 10 each] [Refer Note No. 3 in Schedule No. '22']	5,57,00,120	5,12,00,120
	5,57,00,120	5,12,00,120
SUBSCRIBED AND PAID-UP		
54,67,818 Equity Shares of Rs. 10 each [Previous Year 50,17,818 Equity Shares of Rs. 10 each] [Refer Note No. 3 in Schedule No. '22']	5,46,78,180	5,01,78,180
	5,46,78,180	5,01,78,180

SCHEDULE 2

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
RESERVES AND SURPLUS ::		
Revaluation Reserve [As per last Balance Sheet]	8,67,42,841	9,32,42,806
Less : Transferred to Profit and Loss Account [Being adjusted for depreciation on incremental value arising out of revaluation]	[64,99,965]	[64,99,965]
	8,02,42,876	8,67,42,841
Security Premium Account – [As per last Balance Sheet]	79,50,000	—
Add : Received during the year [Refer Note No. 3 in Schedule '22']	59,62,500	79,50,000
	1,39,12,500	79,50,000
Profit and Loss Account	5,34,81,010	2,48,73,630
TOTAL	14,76,36,386	11,95,66,471

SCHEDULE 3

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
SECURED LOANS ::		
[a] From Banks		
[i] Term Loan	2,84,42,304	2,77,22,600
[ii] Cash Credits	7,49,55,073	7,65,43,444
[b] Vehicle Loans	40,28,047	1,16,833
TOTAL	10,74,25,424	10,43,82,877

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

[ii] Non Fund Based Limit of Rs. 990 Lacs [Previous Year Rs. 830 Lacs] & Cash Credit are secured by hypothecation of Stocks and Book debts and are further secured by way of pledge of 15,17,523 [Previous Year 15,42,523] equity shares held by promoters and personal guarantee by two Directors.

[b] Secured by hypothecation of vehicles purchased there against.

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 4

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
UNSECURED LOANS* ::		
From Bank	50,82,000	35,28,000
Inter Corporate Deposits	1,16,67,359	62,25,443
TOTAL	1,67,49,359	97,53,443
* Repayable within one year Rs. 1,00,94,628 [Previous Year Rs. 72,74,628]		

SCHEDULE 5

[Amount in Rupees]

FIXED ASSETS ::										
Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.04.2010	Additions during the year	Deductions during the year	As on 31.03.2011	As on 01.04.2010	For the year	Adjustments/ Deductions during the year	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
Leasehold Land	2,11,20,000	—	—	2,11,20,000	17,84,454	2,97,409	—	20,81,863	1,90,38,137	1,93,35,546
Freehold Land	—	11,41,040	—	11,41,040	—	—	—	—	11,41,040	—
Buildings	4,71,91,969	27,77,829	—	4,99,69,798	1,20,77,998	13,17,503	—	1,33,95,501	3,65,74,297	3,51,13,971
Plant & Machinery	34,29,32,649	4,20,84,405	—	38,50,17,054	25,23,98,231	1,31,56,762	—	26,55,54,993	11,94,62,061	9,05,34,418
Electrical Installations	77,00,832	—	—	77,00,832	61,84,686	54,924	—	62,39,610	14,61,222	15,16,147
Office Equipments	20,24,352	2,82,644	—	23,06,996	10,29,979	1,55,668	—	11,85,647	11,21,349	9,94,373
Computers	66,27,001	12,60,034	—	78,87,035	48,57,724	10,31,962	—	58,89,686	19,97,349	17,69,277
Furniture & Fixtures	22,87,132	2,10,394	—	24,97,526	20,44,800	41,455	—	20,86,255	4,11,271	2,42,332
Vehicles*	32,13,290	59,21,211	3,56,046	87,78,455	25,29,207	7,85,657	3,31,908	29,82,956	57,95,499	6,84,083
TOTAL	43,30,97,225	5,36,77,557	3,56,046	48,64,18,736	28,29,07,079	1,68,41,340	3,31,908	29,94,16,511	18,70,02,225	15,01,90,147
Previous Year Total	42,42,82,684	88,14,542	—	43,30,97,226	27,07,80,124	1,21,26,955	—	28,29,07,079	15,01,90,147	
* Note: Gross Block of Vehicles include, Gross Block Rs. 74,20,318 [previous year Rs. 22,56,207]; Accumulated depreciation Rs. 22,32,592 [previous year Rs. 15,96,628]; Net Block Rs. 51,87,726 [previous year Rs. 6,59,579] purchased on hire-purchase basis. These vehicles are held in the name of the director/employees on behalf of the Company.										
Capital Work in Progress								March 31, 2011	March 31, 2010	
<u>Assets under installation/construction</u>										
Plant & Machinery								1,45,57,007	2,46,90,700	
Building Under Construction								1,25,23,414	—	
Advances for Plant & Machinery /Computers								23,62,216	19,42,031	
Advance for Freehold Land								5,26,300	—	
TOTAL								2,99,68,937	2,66,32,731	

SCHEDULE 6

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
INVESTMENTS ::		
Trade Investment [Unquoted]		
The Thane Janta Sahakari Bank Ltd. – Shares	1,000	1,000
TOTAL	1,000	1,000

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 7

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
INVENTORIES ::		
[Inventory as taken, valued and certified by the Management]		
Raw Materials [including goods-in-transit Rs. 19,31,186] [Previous Year Rs. Nil]	1,64,66,278	44,59,327
Stores and Spares [Refer to Note No. 13[a] in schedule '22']	8,29,05,361	7,69,51,862
Work-in-Process [including internal generated aluminium scrap]	4,05,99,305	3,19,76,421
Finished Goods	64,91,910	20,59,600
TOTAL	14,64,62,854	11,54,47,210

SCHEDULE 8

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
SUNDRY DEBTORS ::		
[Unsecured, Considered Good unless otherwise stated]		
Outstanding for a period exceeding six months		
Considered Good	9,94,794	5,85,990
Considered Doubtful	13,81,735	14,56,735
	23,76,529	20,42,725
Less : Provisions for Doubtful Debts	13,81,735	14,56,735
	9,94,794	5,85,990
Others	17,27,45,219	12,01,18,981
TOTAL	17,37,40,013	12,07,04,971

SCHEDULE 9

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
CASH AND BANK BALANCES ::		
[a] Cash on hand	4,378	7,451
[b] Balance with Scheduled Banks		
[i] In Current Account	3,89,785	51,755
[ii] In Fixed Deposit Account	1,000	1,000
[Lodged with Central Excise Department, Nashik]		
TOTAL	3,95,163	60,206

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 10

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
LOANS AND ADVANCES ::		
[Unsecured, considered good]		
Advance recoverable in cash or in kind or for value to be received	1,24,19,130	68,64,928
Deposits	2,09,70,346	2,05,09,329
Fringe Benefit Tax	—	26,286
Balances with Central Excise	2,234	2,234
Octroi Duty Refundable	51,76,486	—
Modvat Receivable on Raw Material	9,04,695	—
VAT	62,12,184	35,96,194
MAT Credit Entitlement	31,41,169	55,93,589
TOTAL	4,88,26,244	3,65,92,560

SCHEDULE 11

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
CURRENT LIABILITIES ::		
Acceptances	8,65,76,022	7,49,54,318
Sundry Creditors		
[a] Micro, Small and Medium Enterprises [Refer Note No. 11 in Schedule '22']	—	—
[b] Others	10,71,44,365	3,32,34,147
Other Liabilities	84,88,468	77,54,797
TOTAL	20,22,08,855	11,59,43,262

SCHEDULE 12

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
PROVISIONS ::		
Provision for Gratuity	1,09,16,226	90,09,784
Provision for Leave Entitlement	20,01,263	17,15,523
Income Tax [Net of Advance payment Rs. 1,63,847 [Previous Year Rs. 7,95,932]]	1,66,46,153	1,21,79,068
Proposed Dividend	54,67,818	50,17,818
Corporate Dividend Tax	9,08,150	8,52,779
TOTAL	3,59,39,610	2,87,74,972

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 13

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
SALES & OTHER OPERATING INCOME ::		
Sales - Manufactured Goods	1,19,03,75,770	74,47,59,484
Less: Excise Duty	10,59,27,220	5,73,53,787
	1,08,44,48,550	68,74,05,697
Conversion Charges	64,33,451	99,50,692
Less: Excise Duty	5,25,402	3,66,575
	59,08,049	95,84,117
Sale of Scrap	1,12,17,528	42,65,572
Less: Excise Duty	10,47,905	3,26,466
	1,01,69,623	39,39,106
TOTAL	1,10,05,26,222	70,09,28,920

SCHEDULE 14

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
OTHER INCOME ::		
Miscellaneous Income	63,609	3,870
Profit on Sale of Fixed Assets	16,750	—
Liabilities and Provisions no longer required written back	—	4,32,829
Exchange Difference [Net]	4,76,091	—
TOTAL	5,56,450	4,36,699

SCHEDULE 15

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
INCREASE/[DECREASE] IN STOCK ::		
Stock [April, 01, 2010]		
Finished Goods	20,59,600	1,95,000
Work-in-Process	3,19,76,421	1,68,54,290
	3,40,36,021	1,70,49,290
Closing Stock [March 31, 2011]		
Finished Goods	64,91,910	20,59,600
Work-in-Process	4,05,99,305	3,19,76,421
	4,70,91,215	3,40,36,021
Increase in Stock	1,30,55,194	1,69,86,731

SCHEDULE 16

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
CONSUMPTION OF RAW MATERIAL & COMPONENTS ::		
Opening Stock	44,59,327	1,12,03,685
Add: Purchases	86,93,62,954	49,76,23,446
	87,38,22,281	50,88,27,131
Less: Closing Stock	1,64,66,278	44,59,327
TOTAL	85,73,56,003	50,43,67,804

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 17

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
MANUFACTURING COST ::		
Consumption of Stores and Spares Parts [Refer Note No. 13[b] in Schedule '22']	1,84,39,798	1,31,64,418
Power and Fuel	6,49,43,616	4,67,86,175
Labour Charges	81,03,088	55,18,313
Repairs & Maintenance to ::		
Plant & Machinery	3,17,545	7,42,127
Buildings	4,51,047	8,15,566
Others	21,22,691	12,63,252
TOTAL	9,43,77,785	6,82,89,851

SCHEDULE 18

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES ::		
Salaries, Wages and Bonus	2,97,42,019	2,42,94,970
Contribution to Provident fund and Other Funds	27,53,137	21,49,572
Staff Welfare Expenses	20,01,028	19,44,927
Gratuity [Refer Note No. 14 in Schedule '22']	33,04,670	16,97,639
TOTAL	3,78,00,854	3,00,87,108

SCHEDULE 19

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
OTHER EXPENSES ::		
Packing Charges	45,71,102	29,21,240
Rent	26,300	64,900
Insurance	2,51,226	2,15,455
Telephone and Postage	20,52,265	22,18,034
Travelling and Conveyance	27,84,027	23,16,872
Discount	10,03,605	15,18,063
Commission and Brokerage	10,97,131	15,98,625
Directors' Meeting Fees	1,11,000	1,03,750
Legal and Professional	21,91,573	14,50,568
Auditors Remuneration	7,23,120	6,67,709
Rates and Taxes	5,17,893	6,77,198
Transportation	16,52,937	6,79,967
Retainership Charges	10,24,175	7,37,297
Miscellaneous Expenses	69,21,392	48,76,439
Excise Duty on Stocks	3,48,575	1,82,374
TOTAL	2,52,76,321	2,02,28,491

SCHEDULE 20

[Amount in Rupees]

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
INTEREST AND FINANCE CHARGES ::		
Interest – On Fixed Loans	62,58,843	10,35,822
– On Others	2,51,93,392	2,60,28,289
Finance Charges	35,26,174	42,91,417
TOTAL	3,49,78,409	3,13,55,528

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS**SCHEDULE – 21****SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011****1. 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.

2. USE OF ESTIMATES ::

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

3. FIXED ASSETS ::

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

4. IMPAIRMENT OF ASSETS ::

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

5. INVESTMENTS ::

Long-term investments are stated at cost.

6. VALUATION OF INVENTORIES ::

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

7. DEPRECIATION/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 ::

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

- [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;
- [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.

8. ACCOUNTING FOR TAXES ON INCOME ::

- [a] Provision for Income Tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.
- [b] 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.

9. SALES AND OTHER OPERATING INCOME ::

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

10. TRANSLATION OF FOREIGN CURRENCY ::

- [a] Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.
- [b] Foreign currency assets and liabilities except those for acquisition of fixed assets as at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet and resultant gains/losses are recognised in the 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.

11. EMPLOYEE BENEFITS ::

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

12. BORROWING COSTS ::

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

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS ::

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

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

SCHEDULE – 22

NOTES TO ACCOUNTS FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. **Contingent Liabilities : Rs. Nil** [Previous Year Rs. Nil]

2. **Capital Commitment :**

[Amount in Rupees]

Particulars	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of Advances Rs. Nil; Previous year Rs. Nil].	40,75,435	1,07,07,619

3. **Conversion of Warrants into Equity Shares :**

The Company has issued 14,00,000 Optionally Fully convertible [“OFC”] warrants of Rs. 23.25 on December 02, 2009 in accordance with provisions of Chapter XIII of SEBI [Disclosure and Investor Protection] Guidelines 2000. During the year company has issued 4,50,000 [previous year 6,00,000] Equity Shares of Rs. 10.00 each at a premium of Rs. 13.25 each on conversion of warrants. Balance 3,50,000 OFC warrants remains to be converted.

4. Land, Buildings, Plant & Machinery and Electrical Installations were revalued in the accounts on April 01, 1994. The same have 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, 2011	As at March 31, 2010
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

5. [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.

6. Deposits [Loans and Advances: Schedule – 10] include Rs. 1,78,02,100 [Previous year Rs. 1,78,02,100] being interest free deposits given towards the use of the office premises to Partnership firms where certain Directors of the Company are partners.

7. 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.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

8. Related Parties Transactions ::

[a] Parties where control Exists: Nil

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

[i] Associates/Group companies/Firms ::

- Sudarshan Chokhani & Co.
- Shriram Chokhani & Co.
- Chhaganlal Sheokarandas & Co.

[ii] Key Management Personnel ::

- Shri Shriram C. Chokhani [Managing Director up to October 27, 2010]
- Shri Sudarshan S. Chokhani [Joint Managing Director till October 31, 2010 and Managing Director w.e.f. November 01, 2010]
- Shri Shyantanu S. Chokhani [Joint Managing Director w.e.f. November 01, 2010]

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

[Amount in Rupees]

Particulars	Associates/ Group Companies/Firms	Key Management Personnel	Total
Purchases of goods			
Sudarshan Chokhani & Co.	17,38,53,405	—	17,38,53,405
	[8,84,46,277]	[—]	[8,84,46,277]
Shriram Chokhani & Co.	11,21,76,921	—	11,21,76,921
	[5,56,80,716]	[—]	[5,56,80,716]
Chhaganlal Sheokarandas & Co.	2,34,23,895	—	2,34,23,895
	[1,85,06,790]	[—]	[1,85,06,790]
Finance Charges			
Sudarshan Chokhani & Co.	17,69,137	—	17,69,137
	[53,21,631]	[—]	[53,21,631]
Shriram Chokhani & Co.	15,78,524	—	15,78,524
	[14,25,712]	[—]	[14,25,712]
Chhaganlal Sheokarandas & Co.	7,82,718	—	7,82,718
	[3,89,395]	[—]	[3,89,395]
Managerial Remuneration	—	69,59,677	69,59,677
– Whole Time Directors	[—]	[65,22,866]	[65,22,866]
Managerial Remuneration	—	—	—
– Sitting fee to Non-Whole Time Director	[—]	[5,500]	[5,500]

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

Balances with Related Parties as on March 31, 2011 ::

[Amount in Rupees]

Particulars	Associates/ Group Companies/Firms	Key Management Personnel	Total
Current Liabilities			
Sudarshan Chokhani & Co.	1,97,73,853	—	1,97,73,853
	[12,91,751]	[—]	[12,91,751]
Shriram Chokhani & Co.	1,73,26,398	—	1,73,26,398
	[15,77,684]	[—]	[15,77,684]
Chhaganlal Sheokarandas & Co.	—	—	—
	[32,19,573]	[—]	[32,19,573]
Deposits			
Sudarshan Chokhani & Co.	1,77,62,500	—	1,77,62,500
	[1,77,62,500]	[—]	[1,77,62,500]
Shriram Chokhani & Co.	39,600	—	39,600
	[39,600]	[—]	[39,600]
Counter Guarantees given to Bankers	—	20,10,00,000	20,10,00,000
	[—]	[20,00,00,000]	[20,00,00,000]

Note :: [i] 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.

[ii] Related parties are as identified by the Company and relied upon by the Auditors.

[iii] Previous Year's figures have been given in brackets.

9. Calculation of Earnings per share ::

Particulars	2010-2011	2009-2010
Profit as per Profit & Loss Account [Rs.]	3,49,83,348	2,29,66,544
Weighted average number of Equity Shares outstanding during the year [Nos.]	50,27,681	44,79,188
Add : Effect of dilutive warrants [Nos.]	3,50,000	3,91,363
Diluted weighted average number of Equity Shares outstanding during the year [Nos.]	53,77,681	48,70,551
Nominal value per Equity Shares [Rs.]	10.00	10.00
Basic earnings per share [Rs.]	6.96	5.13
Diluted earning per share [Rs.]	6.51	4.72

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

10. The break-up of deferred tax liabilities [net] are as under ::

[Amount in Rupees]

Particulars	2010-2011	2009-2010
Deferred Tax Assets		
Accrued expenses deductible on cash basis	38,35,534	31,29,747
TOTAL A	38,35,534	31,29,747
Deferred Tax Liabilities		
Difference between WDV of fixed assets as per the Income-Tax Act, 1961 and the Companies Act, 1956	2,35,59,781	1,95,09,367
TOTAL B	2,35,59,781	1,95,09,367
Net Deferred Tax Liabilities/[Assets]	TOTAL [B – A]	
	1,97,24,247	1,63,79,620

11. 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.

12. 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, 2011 [Amount in Rupees]	Maximum Amount outstanding during the year [Amount in Rupees]	No. of Equity Shares Held in the Company	Maximum No. of shares held in the Company
Employees [as per general rules of the Company]	12,91,002	17,31,278	—	—

13. [a] Dies [included in stores and spares inventories] of Rs. 7,52,82,508 [Previous year Rs.7,21,26,290] 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. 71,43,445 [Previous Year Rs. 44,62,824] on account of breakage or otherwise and net of related credit of Rs. 34,65,500 [Previous Year Rs.9,61,086].

14. Disclosure as required by Accounting Standard – 15 [Revised] on Employee Benefits ::

In respect of gratuity and compensated absences, defined benefit schemes [based on Actuarial Valuation] –

[Amount in Rupees]

Description	Gratuity as on March 31, 2011	Gratuity as on March 31, 2010	Leave Encashment as on March 31, 2011	Leave Encashment as on March 31, 2010
A. Expense recognised in the statement of Profit and Loss account for the year ended March 31, 2011				
– Current Service Cost	5,57,070	4,69,951	1,81,025	1,52,039
– Interest Cost	6,98,258	6,15,845	1,32,953	1,77,639
– Past Service Cost	7,28,164	—	—	—
– Net actuarial [gain]/loss recognised during the year	13,21,178	[2,78,368]	32,847	[7,65,660]
– Net expenses charged to Profit & Loss Account	33,04,670	8,07,428	3,46,825	[4,35,982]

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

[Amount in Rupees]

Description	Gratuity as on March 31, 2011	Gratuity as on March 31, 2010	Leave Encashment as on March 31, 2011	Leave Encashment as on March 31, 2010
B. Actual return on plan assets	—	—	—	—
– Expected return of plan assets	—	—	—	—
– Actuarial [gain]/loss on plan assets	—	—	—	—
– Actual return of plan assets	—	—	—	—
C. 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	—	—	—	—
D. Change in Present value of Obligation during the year ended March 31, 2011				
– Present value of obligation as at April 1, 2010	90,09,784	79,46,381	17,15,523	22,92,122
– Current Service Cost	5,57,070	4,69,951	1,81,025	1,52,039
– Interest Cost	6,98,258	6,15,845	1,32,953	1,77,639
– Benefits paid	[13,98,228]	[4,44,025]	[61,085]	[1,40,617]
– Actuarial [gain]/loss on obligation	20,49,342	[2,78,368]	32,847	[7,65,660]
– Present value of obligation as at March 31, 2011	1,09,16,226	83,09,784	20,01,263	17,15,523
E. Change in Assets during the year ended March 31, 2011				
– Fair value of plan assets as at April 1, 2010	—	—	—	—
– Expected return on plan assets	—	—	—	—
– Contributions made	—	—	—	—
– Benefits paid	—	—	—	—
– Actuarial [gains]/loss on plan assets	—	—	—	—
– Fair value of plan assets as at March 31, 2011	—	—	—	—
F. Major categories of plan assets as a percentage of total plan	—	—	—	—
G. Actuarial Assumptions				
– Discount rate	8%	7.75%	8%	7.75%
– Expected rate of return on assets	—	—	—	—
– Mortality Rate	LIC [1994-96] Ultimate-	LIC [1994-96] Ultimate-	LIC [1994-96] Ultimate-	LIC [1994-96] Ultimate-
– Future salary increases considering inflation, seniority, promotion and other relevant factors	6 %	6 %	6 %	6 %

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

15. [a] The following expenses have been included in Dies Cost ::

[Amount in Rupees]

Particulars	2010-2011	2009-2010
Salaries & Wages	38,35,140	29,73,925
Stores & Spare-parts consumed	11,77,885	9,49,615
Power	2,32,323	2,12,524

[b] Aggregate of the following expenses debited to Profit & Loss Account ::

[Amount in Rupees]

Particulars	2010-2011	2009-2010
Salaries & Wages	3,78,00,854	3,00,87,108
Stores & Spare-parts consumed	1,84,39,798	1,31,64,418
Power & Fuel	6,49,43,616	4,67,86,175

16. Research & Development Expenses debited to Profit & Loss Account ::

[Amount in Rupees]

Particulars	2010-2011	2009-2010
Salaries and Wages	4,38,192	2,03,371

17. Payment to Auditors ::

[Amount in Rupees]

Particulars	2010-2011	2009-2010
[i] As Audit Fees	2,50,000	2,50,000
[ii] In other capacity		
– For Tax Audit	55,000	55,000
– For Taxation matters	60,000	60,000
– For Management services	85,000	85,000
– For certification work	2,28,000	1,75,000
[iii] Out of pocket expenses [excluding service tax]	45,120	42,709
TOTAL	7,23,120	6,67,709

18. Managerial Remuneration ::

[a] Whole Time Directors' remuneration*

[Amount in Rupees]

Particulars	2010-2011	2009-2010
Salaries and Allowances**	59,59,677	39,27,500
Commission	—	22,05,032
Gratuity paid	10,00,000	—
TOTAL	69,59,677	61,32,532

* excluding provision for gratuity, as the same is actuarially determined for the company as a whole.

** shareholders' approval is pending for remuneration of Rs. 12,50,000 [previous year Rs. Nil] paid to Joint Managing Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

[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	2010-2011	2009-2010
Net Profit before tax	5,40,07,119	5,83,96,578
Add: Remuneration to Whole-time Directors	59,59,677	61,32,532
Add: Depreciation Provided in the Books	1,03,41,375	56,26,990
Less: Depreciation Under Section 350 of the Companies Act, 1956	[1,03,41,375]	[56,26,990]
Net Profit for the year Under Section 349	5,99,66,796	6,45,29,110
Maximum amount payable to Whole-time Directors restricted to 10% of Net Profit	59,96,680	64,52,911

19. 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]**	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
Aluminium Extrusions	5,000	5,000	13,900	8,900	6,388.144	4,419.325
Aluminium Based Alloys	3,000	3,000	22,000	3,000	178.991	31.063
Metal Dies	Not Determinable					

Notes :

* [i] Delicensed.

** [ii] Production excludes Aluminium Extrusions 140.975 MT [Previous year 231.383 MT] of job work done for third party.

[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	2010-2011				2009-2010			
	Opening		Closing		Opening		Closing	
	Quantity [MT]	[Amount in Rupees]						
Aluminium Extrusions	13.767	20,59,600	38.914	64,91,910	1.854	1,95,000	13.767	20,59,600

Closing Stock includes Aluminium Extrusions 5.496 MT [Previous Year 0.523 MT] rejected by the customers and lying with them at the end of year.

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

[c] Particulars in respect of sales [net of excise duty] ::

Particulars	2010-2011		2009-2010	
	Quantity [MT]	Value [Amount in Rupees]	Quantity [MT]	Value [Amount in Rupees]
Aluminium Extrusions	6,362.997	1,06,29,03,367	4,407.412	68,36,55,960
Aluminium Based Alloys	178.991	2,15,45,183	31.063	37,49,737
Conversion Charges [Job Work]	140.731	59,08,049	231.383	95,84,117
Sale of Scrap		1,01,69,623		39,39,106
TOTAL		1,10,05,26,222		70,09,28,920

[d] Raw Materials consumed during the year ::

Particulars	2010-2011		2009-2010	
	Quantity [MT]	Value [Amount in Rupees]	Quantity [MT]	Value [Amount in Rupees]
Aluminium Ingots	1,880.191	22,74,09,136	1,367.300	14,37,82,705
Aluminium Billets	4,094.538	49,97,04,217	2,744.254	29,57,44,454
Aluminium Scrap	1,124.187	11,67,64,767	597.394	5,84,08,743
Others		1,34,77,883		64,31,902
TOTAL		85,73,56,003		50,43,67,804

[e] Value of Raw Material consumed ::

Particulars	2010-2011		2009-2010	
	[Amount in Rupees]	%	[Amount in Rupees]	%
Imported	3,84,63,414	4.49	—	—
Indigenous	81,88,92,589	95.51	50,43,67,804	100.00
TOTAL	85,73,56,003	100.00	50,43,67,804	100.00

[f] Value of stores and spare parts consumed ::

Particulars	2010-2011		2009-2010	
	[Amount in Rupees]	%	[Amount in Rupees]	%
Imported	38,71,484	20.99	6,18,581	4.70
Indigenous	1,45,68,314	79.01	1,25,45,837	95.30
TOTAL	1,84,39,798	100.00	1,31,64,418	100.00

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

[g] CIF Value of imports and expenditure in foreign currency ::

[Amount in Rupees]

Sr. No.	Particulars	2010-2011	2009-2010
[i]	Value of Import on CIF Basis Raw Materials, Components, Spare Parts & Die Steel	4,56,16,465	14,68,672
[ii]	Expenditure in Foreign Currency [On Cash basis]	1,92,806	1,05,663
[iii]	FOB Value of Exports		
	[a] In Foreign Currency	—	—
	[b] Rupee Payments - [Deemed Export]	—	4,32,950

20. Foreign Currency Exposure not covered by derivatives instruments as at March 31, 2011 ::

Particulars	Currency	As at March 31, 2011		As at March 31, 2010	
		Amount [Foreign Currency]	[Amount in Rupees]	Amount [Foreign Currency]	[Amount in Rupees]
Current Assets, Loans & Advances	USD	20,510	9,30,333	Nil	Nil

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 — Managing Director

Manoj O. Shah — Director

Mukesh V. Ashar — Chief Financial Officer

Kiran G. Inamdar — Company Secretary

Place :: Mumbai

Date :: April 29, 2011

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

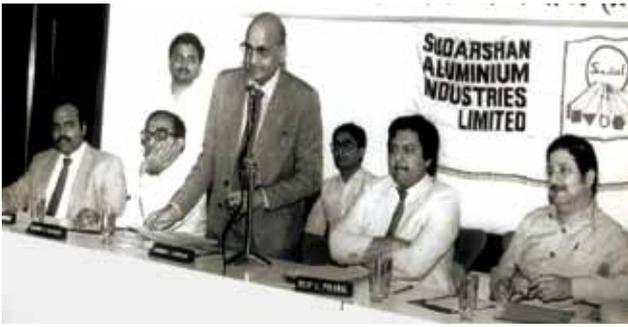
[Rs. in Thousands]

I. Registration Details	Registration No. Balance Sheet Date	21541 of 1979 Date Month Year 31 03 2011	State Code: 11
II. Capital Raised during the Year		Public Issue — Bonus Issue —	Rights Issue — Private Placement 4,500
III. Position of Mobilisation and Deployment of Funds	Sources of Funds	Total Liabilities 3,48,248 Paid-up Capital 54,678 Share Warrant Application Money 2,034 Unsecured Loans 16,749	Total Assets 3,48,248 Reserve & Surplus 1,47,636 Secured Loans 1,07,425 Deferred Tax Liability 19,724
	Application of Funds	Net Fixed Assets 2,16,971 Net Current Assets 1,31,276	Investments 1 Deferred Tax Assets —
IV. Performance of Company		Turnover 11,01,083 Profit Before Tax 54,007 Earning Per Share in Rs. 6.96	Total Expenditure 10,47,076 Profit After Tax 34,983 Dividend in % 10
V. Generic Names of Three Principal Products/ Services of Company	Item Code No. [ITC Code] Product Description Item Code No. [ITC Code] Product Description	: 7604.00, 7609.00 & 7610.00 : EXTRUSIONS : 7601.00 : ALUMINIUM ALLOYS	

For and on behalf of the Board

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

Place :: Mumbai
Date :: April 29, 2011



GLIMPSES OF HIS LIFE AS A FOUNDER, MENTOR, GUIDE, FRIEND AND PHILOSOPHER

gaining momentum...



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gaining momentum...