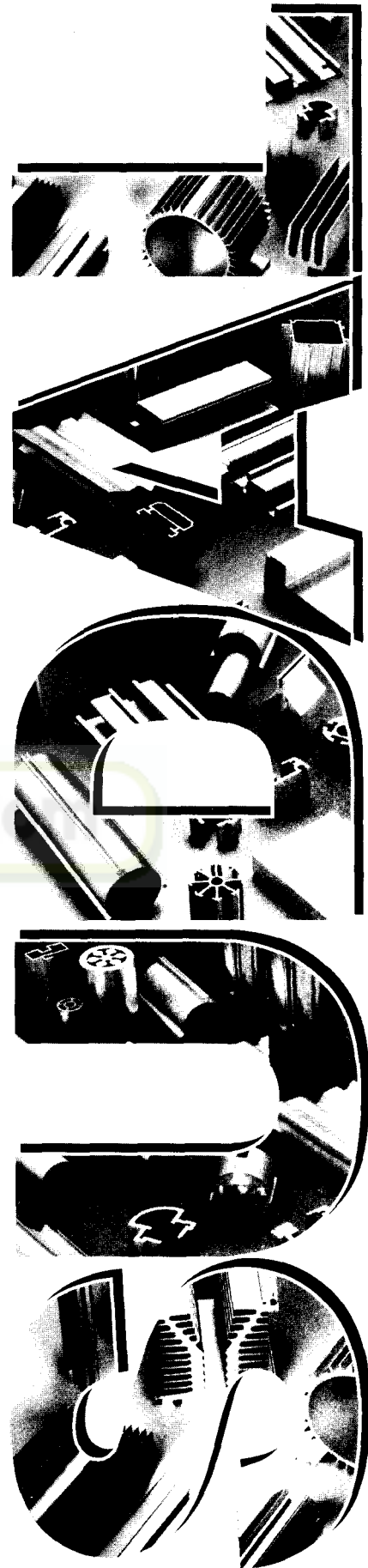


SUDAL

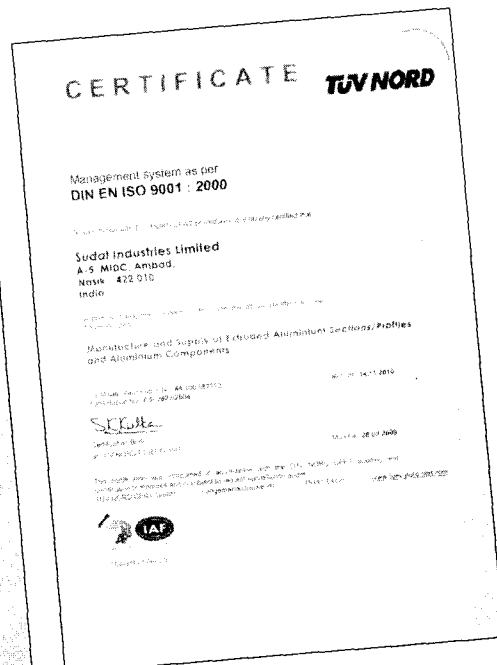
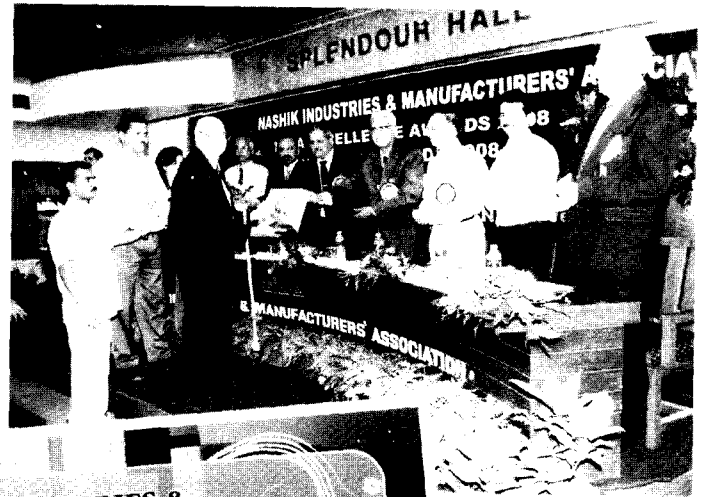
INDUSTRIES LIMITED



30TH ANNUAL REPORT 2008-2009



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Board of Directors

BOARD OF DIRECTORS

Shri Chaitan M. Maniar

Chairman

Shri Shriram C. Chokhani

Managing Director

Shri Sudarshan S. Chokhani

Jt. Managing Director

Shri Shyantanu S. Chokhani

(Addl. Director w.e.f. 29.12.08)

Shri Deokinandan Ajitsaria

Shri Manoj O. Shah

Shri Dinesh C. Shah

(Addl. Director w.e.f. 29.12.08)

Shri S. Malhotra

(Syndicate Bank Nominee upto 28.9.2008)

AUDITORS

Lodha & Company

Chartered Accountants,
Karim Chambers,
40, Ambalal Doshi Marg,
Mumbai 400 023.

BANKERS

Syndicate Bank,
Nariman Bhavan,
227, Nariman Point,
Mumbai 400 021.

SOLICITORS & ADVOCATES

India Law Alliance

F-8, Laxmi Mills,
Shakti Mills Lane,
Mahalaxmi, Mumbai 400 011.

CORPORATE OFFICE

26A, Nariman Bhavan, 227, Nariman Point,
Mumbai 400 021.
Phone No. : 67955800-01.

REGISTERED OFFICE & PLANT

A-5, M.I.D.C. Ambad Industrial Area,
Mumbai-Nashik Highway
Nashik 422 010, Maharashtra.
Phone No. : 2383264-67.

REGISTRARS AND SHARE TRANSFER AGENTS

Sharepro Services (I) Pvt. Ltd.,
912, Raheja Centre,
Nariman Point, Mumbai 400 021.
Members' Register, Index etc.
are kept only at the office of
Registrars and Share Transfer Agents,
M/s. Sharepro Services (I) Pvt. Ltd.
Tel. No. 28348218/28329828

GRIEVANCE REDRESSAL/COMPLIANCE OFFICER

K. G. Inamdar, V.P. (Corporate Services) &
Company Secretary
Phone No. : 67955812
mumbai@sudal.co.in

MANAGEMENT

Shri M. V. Ashar

Chief Financial Officer

Shri G. Varghese

G.M. (Operations)

Shri A. Y. Shukla

G.M. (Engineering)

Shri R. M. Shah

Chief Marketing Officer

Shri K. N. Dulla

Commercial Manager

Request to Members

Annual Reports will not be distributed at the Annual General Meeting in view of the high cost of paper and printing. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.



Sudal Industries Limited

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Notice to the Shareholders

Notice is hereby given that the 30th ANNUAL GENERAL MEETING of the Members of SUDAL INDUSTRIES LIMITED will be held on 18th July, 2009 at 3.30 p. m. at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik - 422010, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the audited Balance Sheet as at and the audited Profit and Loss Account for the year ended the 31st March, 2009, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sudarshan S. Chokhani who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Deokinandan Ajitsaria who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

The retiring Auditors, Lodha & Co., Chartered Accountants are eligible for the appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that Shri Shyantanu Sudarshan Chokhani be and is hereby appointed as a director of the Company liable to retire by rotation"

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that Shri Dinesh Chandulal Shah be and is hereby appointed as a director of the Company liable to retire by rotation".

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

"RESOLVED THAT, pursuant to the provisions of Section 17 and other applicable provisions including section 192A, if any, of the Companies Act, 1956 and subject to the confirmation by the Company Law Board, Clause III C - Other Objects of the Company of the Memorandum of Association of the Company, be and is hereby altered and amended by inserting the following new clauses as sub clauses 63, 64 and 65 respectively immediately after the existing sub-clause No. 62.

(63) To carry on the business of hotel, restaurant, cafe, tavern, beer house or restaurant, room owners, boarding and lodging house keepers, licensed victuallers, wine, beer, and spirit merchants, manufacturers of aerated, minerals and artificial waters and other drinks, purveyors, caterers for public amusements, generally coach, cab, carriage and motorcar proprietors and garage keepers, importers and brokers, of food, live and dead stock, hairdressers, beauty parlours, perfumers, chemists, proprietors of clubs, baths, dressing rooms, laundries, reading, writing and newspaper rooms, libraries, grounds and places of amusements and recreation, sport, entertainment and instruction of all kinds, tobacco and cigar merchants, agents for railways, road, air and shipping companies and carriers, theatrical and opera office proprietors and general agents, and to provide services and facilities for all kinds on a commercial basis, that may be required for the tourist and entertainment industry.

(64) To carry on the trades or business of general travel passenger, tourist and transport agents and contractors, organizers of travel by land, water or air, railroad, steam or other ship, hover crafts, aero planes, automobile and other automotive vehicle owners, chatters, hirers, contractors and agents, general carriers and contractors, owners and proprietors of bonded stores, warehouses and depositories of all kinds, removers of all kinds of goods by land, air or water, and provision of service; in connection therewith hotel agents and caterers, insurance agents and providers of services, necessities and articles of all kinds for travelers or tourists.

(65) To carry on the business of tour operators and to organize conferences, conventions and seminars and tours" trips, excursions, sojourns, holiday camps, hikes, treks, expeditions, safaris to any sea, mountain, lake, forest or holiday resorts of tourist interest or any other place either in India or any part of the world and to prepare plans, maps, itineraries, routes for the same and to book tickets and accommodation and to provide - all types of assistance to tourists and travelers.

AND RESOLVED FURTHER that an application be made to the Company Law Board under Section 17 of the Companies Act, 1956 for confirmation of such alterations and amendments.

AND RESOLVED FURTHER that the Board of Directors be and is hereby authorized to agree to such variations or modifications in the proposed sub-clauses or either of them as the Company Law Board or other authority may require, direct, suggest, make or impose while granting such confirmation and which the Board of Directors think fit to accept in the best interest of the Company.



Notice to the Shareholders

AND RESOLVED FURTHER that upon confirmation by the Company Law Board as aforesaid and pursuant to Section 149(2A) and other applicable provisions of the Companies Act, 1956 consent of the Company be and is hereby accorded to the Board of Directors commencing at any time or from time to time and in such manner as the Board of Directors may in its sole and absolute discretion think fit, any and/or all the business or businesses and activities referred to above.

AND RESOLVED FURTHER that the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution".

Notes:

- A. AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956, IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NOS. 5, 6 and 7 ABOVE SET OUT, IS ANNEXED HERETO.
- B. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIM/ HER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- C. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AND NOT LESS THAN 48 HOURS BEFORE THE MEETING DULY STAMPED, COMPLETED AND SIGNED.
- D. THE REGISTER OF MEMBERS AND THE SHARE TRANSFER REGISTER OF THE COMPANY WILL BE CLOSED FROM THE 8TH JULY, 2009 TO 18TH JULY, 2009 (BOTH DAYS INCLUSIVE).
- E. THE COMPANY'S ISIN HAS BEEN MADE LIVE IN THE CDS SYSTEM WITH CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED, AND WITH NATIONAL SECURITIES DEPOSITORY LIMITED. ISIN ACTIVATION: ISIN-INE618D01015. ESTEEMED SHAREHOLDERS CAN DEMATERIALISE THEIR SECURITIES.

By Order of the Board

K. G. INAMDAR
Company Secretary

Regd. Office:
A-5 MIDC Ambad Indl. Area
Bombay Nashik Highway
Nashik-422010.

Place : Mumbai
Dated : 30th April, 2009

ANNEXURE TO NOTICE

Explanatory Statement as required under section 173(2) of the Companies Act 1956.

ITEM NO. 5.

Shri Shyantanu Sudarshan Chokhani was appointed as Additional Director of the Company at the Board Meeting held on 29th December, 2008 with effect from said date.

Pursuant to Section 260 of the Companies Act, 1956 the above director will hold office up to the date of the ensuing Annual General Meeting of the Company.

The Company has received notice in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit signifying his intention to propose the appointment of Shri Shyantanu Sudarshan Chokhani as a director of the Company liable to retire by rotation.

Shri Shyantanu S. Chokhani is the son of Shri Sudarshan Shriram Chokhani and the grandson of Shri Shriram C. Chokhani. He is undertaking a course in Management at Nottingham University, U. K. He has exposure to and knowledge of global industrial and business management practice and his appointment would conducive to the Board of Directors in framing of and taking policy decisions for the Company.

He is holding Directorship in Sudal Enterprises Pvt. Limited.

The directors, therefore, recommend passing of the Ordinary Resolution under Item No. 5 of the accompanying Notice.

None of the directors other than himself, Shri Shriram C. Chokhani, Shri Sudarshan S. Chokhani and Shri D. N. Ajitsaria Directors of the Company, may be considered to be concerned or interested in the said resolution.

ITEM NO. 6.

Shri Dinesh Chandulal Shah was appointed as Additional Director of the Company at the Board Meeting held on 29th December, 2008 with effect from the said date.

Pursuant to Section 260 of the Companies Act, 1956 the above director will hold office up to the date of the ensuing Annual General Meeting of the Company.

The Company has received notices in writing from a member under Section 257 of the Companies Act, 1956 together with the required deposit signifying his intention to propose the appointment of Shri Dinesh Chandulal Shah as a director of the Company liable to retire by rotation.

Shri Dinesh C. Shah is a Commerce Graduate and has been engaged for over three decades in the aluminum business and his vast experience and knowledge of the



Sudal Industries Limited

Notice to the Shareholders

business would be conducive to the expansion of the Company's business. There would be no conflict of interest because of the difference in nature between the nature of the business, activities and operations of Dinesh C. Shah and that of the Company.

He is not holding directorship in any other company.

He is an Independent Director, and is on the Audit Committee, Remuneration Committee and Share Transfer cum Investor Grievance Committee of the Directors.

The directors, therefore, recommend passing of the Ordinary Resolution under Item No. 6 of the accompanying Notice.

None of the directors other than Shri Dinesh C. Shah, may be considered to be concerned or interested in the said resolution.

ITEM NO. 7.

The Company owns valuable leasehold immovable property located in Nashik where its Registered Office is located.

Nashik has grown to be an important location for new industrial operations.

Moreover, in Nashik, commerce, business and other activities thereof are increasing on a regular basis and there is a growing need for good hotels and resorts.

Nashik and its surrounding and especially the Trambakeshwar Temple Complex are very attractive and popular tourist centers.

It would, therefore, be most advisable for the Company to use and exploit its immovable property and resources in the best and optimum manner by constructing a hotel or resort with full facilities and infrastructure.

The business of establishing a hotel could be conveniently and advantageously be combined with the existing business of the Company.

The Company has received enquiries from hoteliers who wish to construct/conduct hotels in Nashik and within the Company's premises.

Therefore, when the hotel is constructed, lease or conducting agreement, arrangement and understanding could be entered into with the hoteliers ultimately selected by the Company.

The construction and conducting of hotel as mentioned above would be most conducive of the Company's best interest as it would result in making optimum use of its property and augment its income and financial resources.

To enable the Company to engage in the new business the clause of the main objects clause of Memorandum of Association is being altered in this Annual General Meeting.

The Company, after amending the object clause, can enter into the activity of Hotel Business within its available area in the existing facilities and can utilize the area for more profitable purpose in the best interest of the Company.

All the Directors of the Company may be considered to be interested or concerned in passing of the Resolution to the extent that they are shareholders of the Company and generally.

The proposed amendment of the Object Clause of the Company would require as set out in the resolution, requires the approval of the Company in general meeting accorded by a Special resolution and confirmation by the Company Law Board.

Pursuant to the passing of the Special Resolution, the Board of Directors are entitled to commence any and all of the businesses mentioned in the Resolution from time to time at its sole discretions pursuant to Section 149(2A) of the Companies Act, 1956.

The Directors, therefore, recommend the passing of the Special Resolution contained in Item 7 of the accompanying notice.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed draft amendment will be open for inspection by the members during the Company's business hours on any working day of the Company at its Registered Office up-to and including the date of the Annual General Meeting of the Company.

Notice to the members pursuant to section 192A of the Companies Act, 1956 is also sent herewith.

By Order of the Board

K. G. INAMDAR
Company Secretary

Regd. Office:

A-5 MIDC Ambad Indl. Area
Bombay Nashik Highway
Nashik-422010.

Place : Mumbai

Dated : 30th April, 2009



Directors' Report to the Members

Dear Members,

Your Directors hereby pleased to present the 30th Annual Report and Audited Statements of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

	For the year ended 31.03.2009 (Rs. in lakhs)	For the year ended 31.03.2008 (Rs. in lakhs)
Net Sales & Income from operations	7015.90	6823.69
Other Income	5.18	2.13
Total	7021.08	6825.82
Profit before Interest & Depreciation	686.92	667.32
Interest	243.25	281.37
Depreciation	47.97	39.86
Exceptional Income	(50.03)	—
Profit before Tax	445.73	346.09
Provision for Taxation		
Current	61.03	—
Deferred Tax Assets	(66.28)	—
Fringe Benefit Tax	4.31	3.76
MAT Credit	(55.94)	—
	502.61	342.33

The Board is happy to inform that the Company has earned a net profit which enabled it to wipe off entire accumulated losses. However, the Directors regret their inability to announce any dividend this year.

MANAGEMENT DISCUSSION & ANALYSIS:

During the year under review, though the Company has shown better profit performance but it has affected during the year from erratic fluctuations in various input costs, impact of global melt down apart from adverse effect of shaken domestic economy on operations of the Company.

However, with OEM customer profile coupled with better product-mix and with competitive price realization the Company could sell & earn more in a most cut-throat market.

Had the workers achieved the production and productivity as per the terms & norms specified in the agreement, the Company would have achieved more better operational performance.

EXPANSION:

The Company had planned to go into various activities and add more Extrusion Presses with a view to meet with the growing range of market and products in the years to

come. Accordingly, the Company has expanded its casting facilities, added certain equipments and has already placed the order for 3rd extrusion press and the delivery is expected in last week of July, 09.

OUTLOOK AND OPPORTUNITIES:

The Company holds an edge to get better & higher realization due to varied and sound base of the customers, complete attention for customers' delight and locational advantage.

The over all growth in economy though slowed to a certain extent at this moment but the Company has been able to retain its market and order position in sectors like Electrical, equipment Manufacturing/projects, Consumer Goods etc. The Company is making constant marketing efforts to increase the sectoral customer base and share of business.

Prospects, growth and future lie in markets like Power Sector, Transport Sector and other potentiality in Infrastructure, Railways, Furnitures etc.

The Company has opened up its operating capacities and horizons which are already coupled with built up goodwill and continued support from reputed & multinational customers.



Directors' Report to the Members

The positive ongoing change in global scenario, gradual improvement in economic & industrial outlook would keep a pace in demand for company's products which would facilitate the Company to streamline the production and pricing strategy.

Your Company is concerned about Business risks and Risk Management and accordingly takes effective steps to mitigate or minimize the impacts from time to time as situation warrants and ensure continuity and business development in line with Vision and Mission of the Company.

Presently the Company is only in one segment i.e. Aluminum Extrusions and its Down Stream Value Added Products.

OUT OF BIFR PURVIEW:

At Bench review hearing of BIFR held in Delhi on 11/08/2008, since the net worth of the Company has turned positive, the BOARD has discharged the Company from the purview of SICA/BIFR.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Commensurate with the size and nature of the business of the Company, it has adequate Internal Control System. To have more effective control over the accounting systems and over day to day operations of the Company, it has already appointed internal auditors since long as also strengthened its own audit department. SAP Implementation is in Process.

DIVERSIFICATION & NEW VALUE ADDED PRODUCTS:

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

In view of utilizing available area of the Factory after full expansion of manufacturing activity, the Company is planning to start Hotel Activity which is more particularly explained in the Explanatory Statement annexed to the Notice of Annual General Meeting. The Object Clause is being amended suitably for which the Company is seeking members permission through postal ballot subject to permission of other concerned authorities.

TOTAL QUALITY MANAGEMENT:

The Company is committed to Total Quality Management and has established a Quality Management Systems in compliance with the International Quality System Standard as per DINEN ISO9001:2000 & as per ISO/TS 16949:2002 of TUV NORDCERTGmbH.

RISK MANAGEMENT/HEALTH, SAFETY, SOCIAL ACCOUNTABILITY ETC:

As a part of business policy, the Company gives due importance to the risk identification and control in various functional areas. As far as possible the Company takes necessary steps to manage the internal and external factors.

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

INDUSTRIAL RELATIONS:

The workmen have given assurance that they will provide all assistance and cooperation to the Company for increasing the production. The agreement signed in conciliation is in operation.

CONSERVATION OF ENERGY:

Particulars are given in Annexure "A"

TECHNOLOGY ABSORPTION:

Details are given in Annexure "B"

INSURANCE:

All movable and fixed assets (on net revalued basis) are adequately insured.

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonably and prudent so as to give a true and fair view of the Company as on 31st March, 2009 and of profit of the Company for the year ended 31st March, 2009 and cash flow as on that date.
- proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with the Auditors Statement on its compliance is annexed hereto as Annexure-C and forms part of this report.

DIRECTORS:

Syndicate Bank has withdrawn its nomination of Shri S. Malhotra from the Board The Board place its appreciation on record for the valuable contribution by Shri S. Malhotra during his tenure as Nominee on the Board.

In terms of the Companies Act, 1956 and the Articles of the Company, Shri Sudarshan S. Chokhani and Shri D. N. Ajitsaria retire by rotation and, being eligible, offer themselves for reappointment.



Directors' Report to the Members

The members approvals are being sought for the respective appointment of Shri Shyantanu S. Chokhani and Shri Dinesh C. Shah as Directors of the Company liable to retire by rotation, who have joined the Board of the Company as additional directors w. e. f. 29/12/2008, for which the Company has received separate notice from a member proposing respective candidature for directorship of the Company more particularly explained in explanatory statement annexed to the Notice of the Annual general Meeting.

PARTICULARS OF EMPLOYEES:

No employee is falling within the limits 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.

AUDITORS REPORT:

The observations of the Auditors in their report on Accounts read with the relevant Note No. 4 thereon in Schedule 20 to the accounts is self explanatory.

STATUTORY AUDITORS:

The retiring Auditors, Lodha & Company, Chartered Accountants, have indicated their willingness to continue in Office and are recommended for reappointment for the ensuing year.

COST AUDIT:

According to the Central Government's directive, the Company has appointed Mr. Narottam L. Tola, Cost Accountant, as Cost Auditor for the audit of the cost accounts maintained by the Company under applicable provisions of the Companies Act, 1956.

ACKNOWLEDGEMENTS:

The Directors record their deep sense of gratitude to its Bankers-Syndicate Bank; Primary Metal Suppliers and other suppliers; Customers; Government Authorities; to such employees who have dedicated themselves to improve the operations of the Company and above all to the esteemed Shareholders.

For and on behalf of the Board

CHAITAN M. MANIAR
(Chairman)

Place : Mumbai
Dated : 30th April, 2009

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Directors' Report to the Members

ANNEXURE – A

(A) Measures taken to conserve energy:

- (a) Foundry shop upgraded with new design tilting furnaces 6MT and 10MT to reduce furnace oil consumption.
- (b) Commissioned 5" and 8" Hot TOP casting System for better Billet quality and to increase input/output rate to save energy.
- (c) Converted existing billet induction heating furnace from electrical to LPG for energy saving as presently Gas heating is cheaper than electricity.
- (d) Energy Audit done through PCRA to get recommendations for efficient energy consumption and saving as well.
- (e) Variable Frequency Drive installed for Air Compressor to save 20% energy.
- (f) Added capacitors to improve power factor to get benefits of saving from MSEDCL.

(B) Additional Investment Proposed.

- (a) Homogenizing Furnace conversion from electrical to LPG.
- (b) To install main pump motor HP on Press-II to reduce energy consumption.
- (c) Bailing Press for New Foundry Shop to facilitate fast charging to reduce oil consumption.
- (d) To reduce rejection, install puller on run out table on Press – I
- (e) To reduce downtime install E.O.T. Crane in Press – II area.

(C) Impact of (A) and (B) Above:

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

FORM – A

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

	Current Year 2008-09	Previous Year 2007-08
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units	47,88,912	44,50,919
Total Amount (Rs.)	2,24,20,747	2,02,44,232
Av. Rate/Unit (Rs.)	4.68	4.54
(b) Own Generation		
(i) Through Diesel Generator (Units)	-	-
Unit/Ltrs. of Diesel Oil	-	-
Costs/Units (Rs.)	-	-
(ii) Through Steam Turbine/Gas		
Unit-KWH	16,30,028	15,73,804
unit/Kg. of	0.07	0.07
Cost/Unit (Rs.)	2.95	2.61
2. Coal (Specify quality and where used)	Nil	Nil
Quantity (Tonnes)	-	-
Total Cost	-	-
Average Cost	-	-
3. Furnace Oil		
Quantity (Ltrs.)	9,40,940	9,35,060
Total Amount (Rs.)	2,27,01,422	1,18,43,733
Average Rate (Rs./Ltr.)	24.13	19.72
4. Other (Internal Generation)	Nil	Nil
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
B. Consumption per ton of production		
Electricity (Units)	1,246.58	1,383.18
Furnace Oil (Ltrs.) (for casting)		
Aluminium Billets	168.67	140.60
Alloy	-	-
Coal (Specify Quality)	Nil	Nil
Others (Specify)	Nil	Nil

