

SUDAL INDUSTRIES LIMITED

BOARD OF DIRECTORS

Shri Chaitan M. Maniar
– *Chairman*

Shri Shriram C. Chokhani
– *Managing Director*

Shri Sudarshan S. Chokhani
– *Joint Managing Director*

Shri Shyantanu S. Chokhani

Shri Deokinandan Ajitsaria

Shri Manoj O. Shah

Shri Dinesh C. Shah

COMPANY SECRETARY

Shri Kiran G. Inamdar

MANAGEMENT TEAM

Shri Mukesh V. Ashar
– *Chief Financial Officer*

Shri George Varghese
– *General Manager (Operations)*

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

Shri Rajendra M. Shah
– *Chief Marketing Officer*

Shri Kishore N. Dulla
– *Commercial Manager*

REGISTERED OFFICE & PLANT

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

CORPORATE OFFICE

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

STATUTORY AUDITORS

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

SOLICITORS & ADVOCATES

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











BANKERS

Syndicate Bank,
Nariman Point,
Mumbai – 400 021.

REGISTRARS AND SHARE TRANSFER AGENT

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

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THIRTYFIRST ANNUAL GENERAL MEETING

DAY :: Saturday

DATE :: September 25, 2010

TIME :: 3 P.M.

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

NOTICE TO MEMBERS

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

ORDINARY BUSINESS ::

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

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

SPECIAL BUSINESS ::

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

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

Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2010

By Order of the Board of Directors
For Sudal Industries Limited

Kiran G. Inamdar
Company Secretary

NOTES ::

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

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

Registered Office ::

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

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

By Order of the Board of Directors
For Sudal Industries Limited

Kiran G. Inamdar
Company Secretary

ANNEXURE TO NOTICE

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

ITEM NO. 6.

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

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

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

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

[In pursuant to Clause 49 of the Listing Agreement]

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

Registered Office ::

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

Place :: Mumbai

Date :: April 29, 2010

By Order of the Board of Directors
For Sudal Industries Limited

Kiran G. Inamdar
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

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

I. FINANCIAL RESULTS ::

[Rs. in Lacs]

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

OPERATIONS AND RESULTS ::

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

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

II. DIVIDEND ::

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

III. APPROPRIATION ::

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

IV. BUSINESS REVIEW ::

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

V. CAPACITY EXPANSION ::

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

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

VI. LISTING OF SHARES ::

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

VII. PUBLIC DEPOSITS ::

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

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

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

IX. MANAGEMENT DISCUSSION AND ANALYSIS REPORT ::

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

X. CORPORATE GOVERNANCE ::

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

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

XI. PARTICULARS OF EMPLOYEES ::

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

XII. DIRECTORS' RESPONSIBILITY STATEMENT ::

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

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

XIII. DIRECTORATE ::

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

XIV. AUDITORS ::

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

XV. COST AUDIT ::

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

XVI. ACKNOWLEDGEMENTS ::

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

For and behalf of the Board of Directors

Place :: Mumbai
Date :: April 29, 2010

Chaitan M. Maniar
Chairman

ANNEXURE - I TO THE DIRECTORS' REPORT

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

[A] CONSERVATION OF ENERGY ::

(I) Measures taken to conserve energy ::

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

(II) Additional Investment Proposed ::

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

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

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

FORM – A

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

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