

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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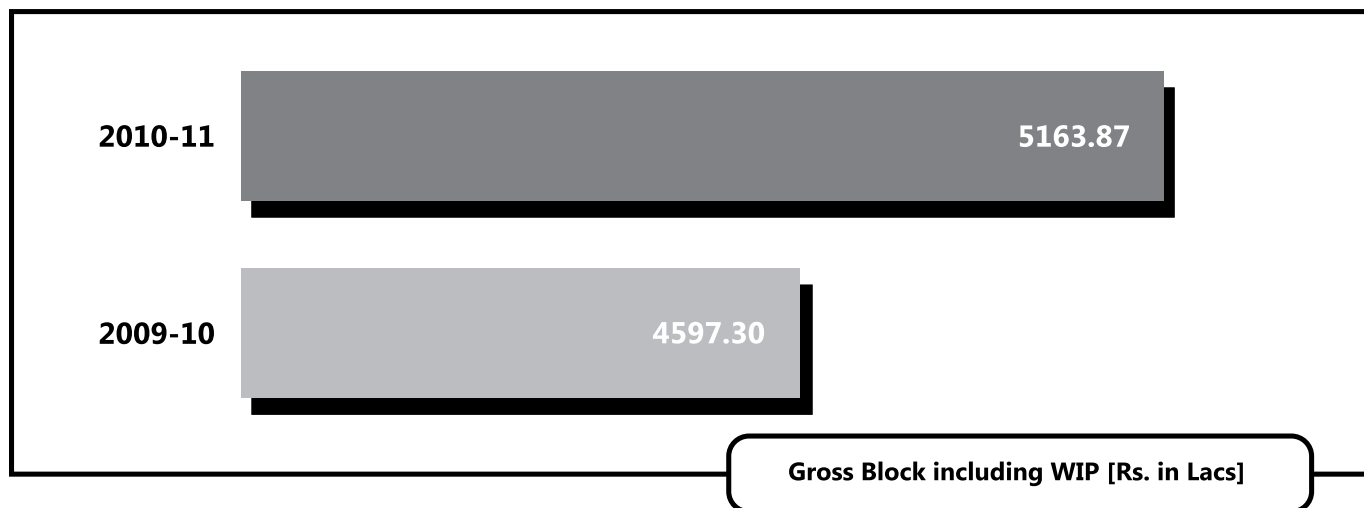
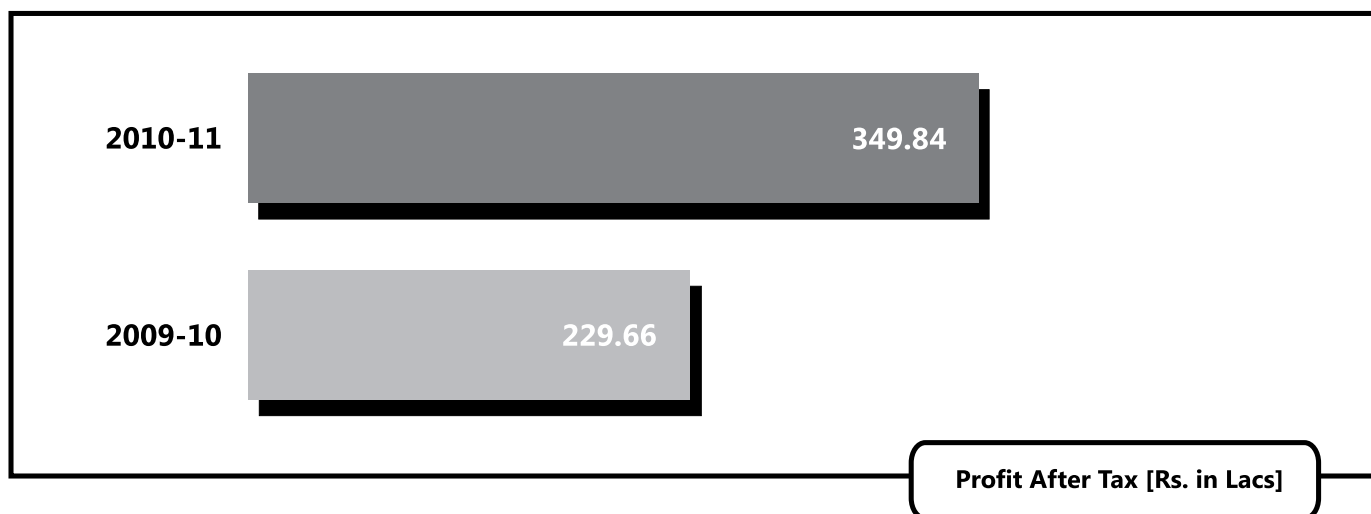
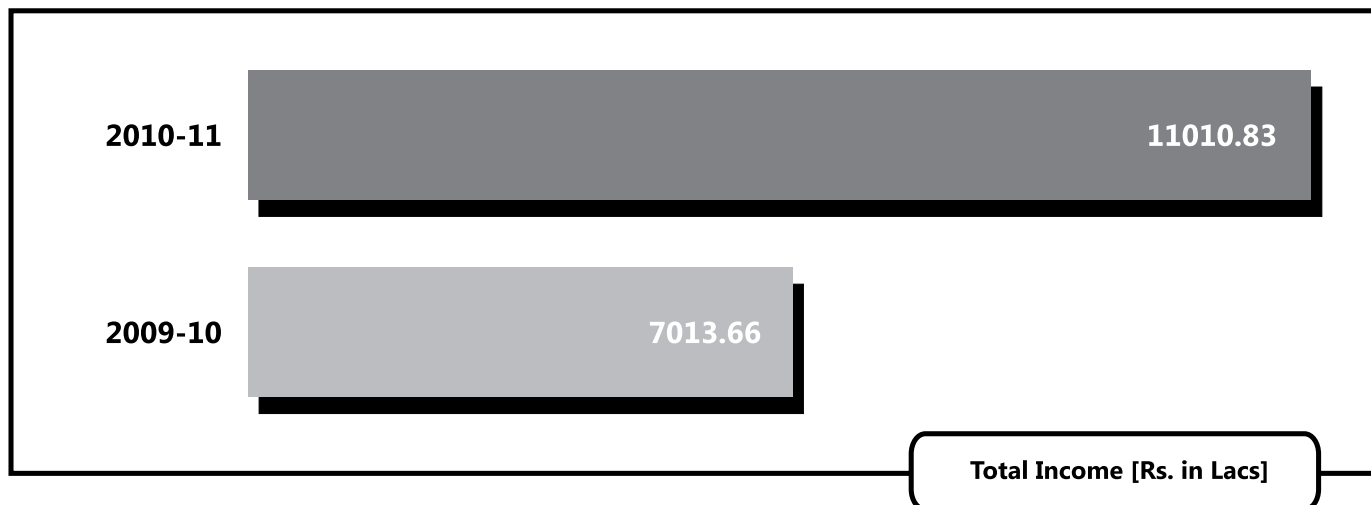
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THIRTYSECOND ANNUAL GENERAL MEETING

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.

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

Place :: **Mumbai**

Date :: **April 29, 2011**

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-imbursement 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.