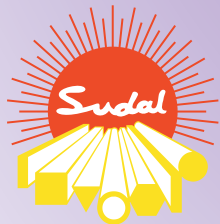


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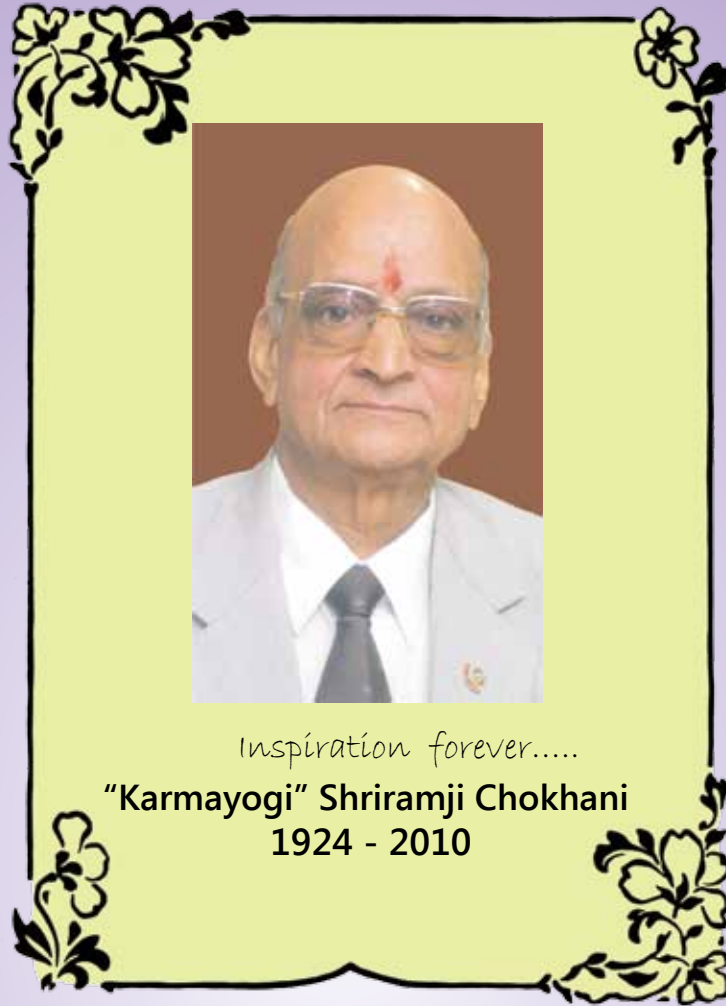
INDUSTRIES LIMITED



Sustaining growth...



33rd
Annual Report
2011-12



●●●●● : Five Presses in operation

●●● : Three Strategies for growth

● : Single point Agenda of *Sustaining* growth...

Sudal Industries Limited

Late Shri Shriram Chokhani

– Founder & Promoter Director

BOARD OF DIRECTORS

Shri Chaitan Maniar – *Chairman*

Shri Sudarshan Chokhani – *Managing Director*

Shri Shyantanu Chokhani – *Jt. Managing Director*

Shri Deokinandan Ajitsaria

Shri Manoj Shah

Shri Dinesh Shah

COMPANY SECRETARY

Shri Kiran Inamdar

Company Secretary & V.P. [Corporate Services]

MANAGEMENT TEAM

Shri Mukesh Ashar – *Chief Financial Officer*

Shri George Varghese – *G M [Operations]*

Shri Shrikant Kulkarni – *Works Manager*

Shri Rajendra Shah – *Chief Marketing Officer*

Shri Kishore Dulla – *Commercial Manager*

STATUTORY AUDITORS

Lodha & Co.

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, Mumbai.

REGISTERED OFFICE & PLANT

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

Nashik-422 010 [Maharashtra]

Tel No : +91-253-6636200/201

Email : nashik@sudal.co.in

CORPORATE OFFICE

26A, Nariman Bhavan,

227, Nariman Point, Mumbai-400 021.

Tel No : +91-22-61577100/177

E-mail : mumbai@sudal.co.in

REGISTRAR & 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

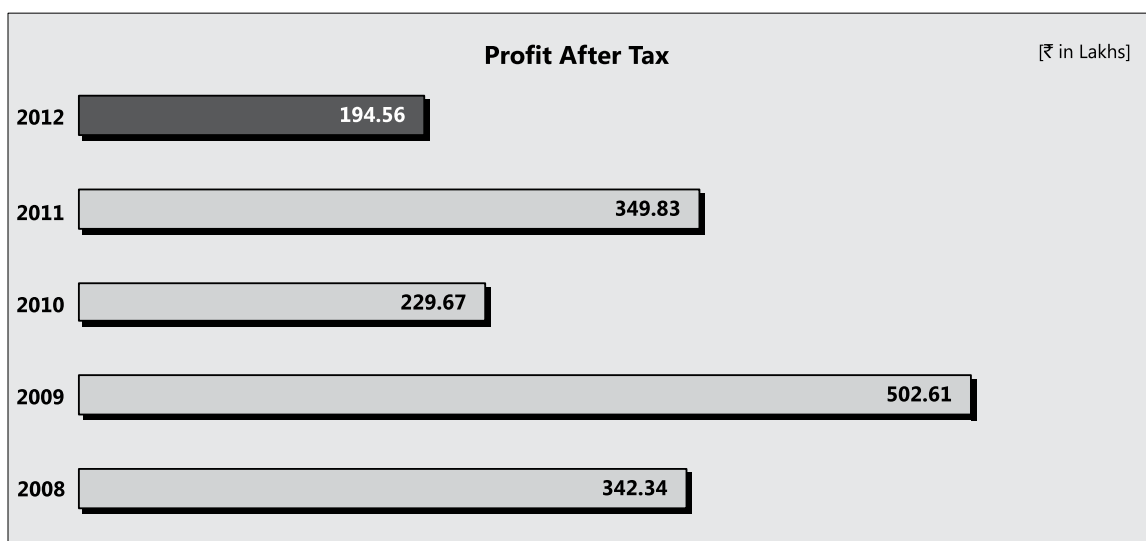
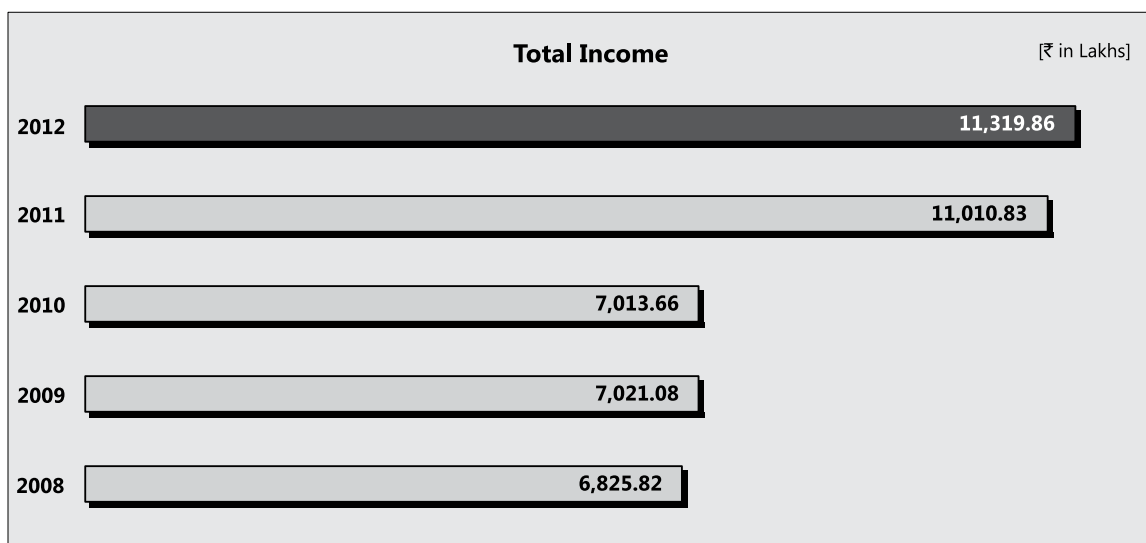
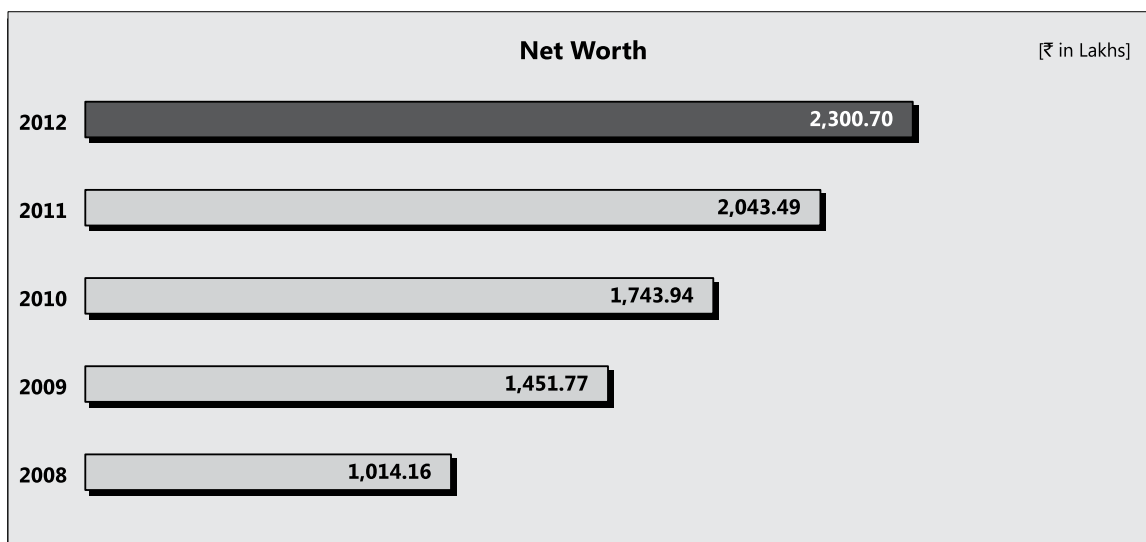
Email : sharepro@shareproservices.com

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Thirty Third Annual General Meeting is on

Saturday, September 29, 2012, at 3.00 p.m. at
Hotel Sai Palace, Mumbai-Nashik Highway,
CIDCO, Nashik-422010 [Maharashtra].

Sudal Industries Limited



Notice

NOTICE IS HEREBY GIVEN THAT THE **THIRTY THIRD ANNUAL GENERAL MEETING** OF THE MEMEBERS OF **SUDAL INUSTRIES LIMITED** WILL BE HELD ON **SATURDAY, SEPTEMBER 29, 2012** AT **3.00 P. M.** AT HOTEL SAI PALACE, MUMBAI NASHIK HIGHWAY, CIDCO, NASHIK-422010, MAHARASHTRA TO TRANSACT THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at and the Statement of Profit and Loss for the year ended March 31, 2012 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 Sudarshan Chokhani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Shyantanu Chokhani, who retires by rotation and being eligible, offers himself for re-appointment.
5. To pass the following Resolution as Ordinary Resolution :

"RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956 m/s Lodha & Co., Chartered Accountants, Firm Registration No. 301051E be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as agreed upon by the Board of Directors and the Auditors, in addition to the remuneration to service tax and actual out of pocket expenses incurred in connection with audit of the Accounts of the Company for the financial year ending March 31, 2013."

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 Mr. Sudarshan Chokhani as Managing Director of the Company for a period of three years from September 01, 2012 to August 31, 2015 on the terms and conditions as determined by the Board of Directors of the Company with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and payment of remuneration to Mr. Sudarshan Chokhani, 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 Mr. Sudarshan Chokhani.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. Sudarshan Chokhani, 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 be and is hereby authorized to do all such acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto."

Registered Office :

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

Place : Mumbai

Date : May 31, 2012

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

Kiran Inamdar
Company Secretary

NOTES :

- [a] **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED MUST, HOWEVER BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF MEETING. Proxies submitted on behalf of Limited Companies, Societies, etc., must be supported by an appropriate resolution/authority, as applicable.**
- [b] The Explanatory Statement pursuant to Section 173 [2] of the Companies Act, 1956, in respect of the special business under Item No. 6 set out above and the relevant details in respect of Item No. 3 and 4 as set out above to be transacted at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange, are annexed hereto.
- [c] The documents referred to in the proposed resolutions are available for inspection by the members at the Registered office of the company during 10 a.m. to 5 p.m. on all days except Saturdays, Sundays and public holidays till the conclusion of the Annual General Meeting.
- [d] As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Meeting along with the Annual Report.
- [e] The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 18, 2012 to Saturday, September 29, 2012 [both days inclusive] in connection with the Annual General Meeting and for the purpose of payment of dividend, if approved by the Members.
- [f] The dividend as recommended by the Board of Directors if approved at the Annual General Meeting, will be paid on or after October, 25, 2012 to those Shareholders whose names appear in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agent on or before September 17, 2012 and whose names appear as beneficial owners in the list of Beneficial Owners as furnished By National Securities Depository Limited and Central Depository Services [India] Limited in respect of the shares held in Demat form for this purpose.
- [g] The Ministry of Corporate Affairs has taken a Green Initiative in Corporate Governance by issuing Circulars allowing paperless compliances by Companies through electronic mode. The Shareholders can now receive various notices and documents through electronic mode by registering their e-mail addresses with the Company. Shareholders who have not registered their e-mail address with the Company can register the same by submitting duly filled in E Communication Registration Form enclosed at the end of this report. The Members holding shares in electronic form are requested to register their email addresses with their Depository Participants only. Even after registering for E Communication the shareholders of the Company are entitled to receive such communication in physical mode upon request.
- [h] The Company is presently using National-ECS [NECS] for dividend remittance. Members holding Shares in physical form are requested to notify/send the following to the Company's Registrar and Transfer Agent at: Sharepro Services [India] Private Limited, Unit : Sudal Industries Limited, 13AB, Samhita Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Lane, Off Andheri-Kurla Road, Saki Naka, Andheri [East], Mumbai-400 072 or Sharepro Services [India] Private Limited, 92, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai-400 021 at the earliest but not later than September 17, 2012
- any change in their address/Bank mandate/Bank details; and
 - Particulars of their bank account, in case the same have not been sent earlier.
- [i] Members holding shares in the electronic mode are requested to inform any changes in address/Bank mandate directly to their respective Depository Participants. The address/Bank mandate as Furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the Dividend Warrant.
- [j] Members desirous of making a nomination in respect of their shareholding in the Company, as Permitted under Section 109A of the Companies Act, 1956 are requested to send the Same to the office of Registrar and Share Transfer Agent of the Company. Nomination form is enclosed at the end of this Report.
- [k] Members seeking any information or clarification on the Annual Report are requested to send their written queries to the Company at Registered Office at least two weeks prior to the date of the meeting to enable the Company to compile the information and provide replies at the meeting.

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 : May 31, 2012

Kiran 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 :

The present tenure of the Managing Director Shri Sudarshan Chokhani, who is also the promoter of the company, is due to expire on August 31, 2012.

For more than three decades the Company is a highly reputed manufacturer of Aluminium Extrusions. The performance of the Company during the last five years has shown remarkable improvement. Sudal has plans to accelerate its pace of growth. The Three dimensional growth is planned through capacity expansion, increase in market share and manufacture of high value margin items in the sales mix. The demand is increasing in Domestic market compared to the export market. The Company does not have any Foreign Collaboration.

Shri Sudarshan Chokhani's appointment as Managing Director of the Company shall be for a period of three years with effect from September 01, 2012 on the terms and conditions mentioned herein.

Shri Sudarshan Chokhani is a Commerce Graduate and completed his further study in EDP from Mumbai University. He has wide exposure to and knowledge of global, industrial and business management practices. His experience of more than Four decades in the aluminium and Allied metal business would immensely benefit the Company. The Board is of the opinion that his re-appointment as Managing Director would be more appropriate and in the best interest of the Company.

With Shri Chokhani's active involvement, vision, able leadership and guidance as the Managing Director, the Company shall be better placed to further excel the performance of the Company more successfully.

He shall perform his duties and exercise powers to manage the affairs of the Company under the guidance, direction, supervision and control of the Board of Directors of the Company.

The Company has embarked upon ambitious plans including enhancement of its extrusion capabilities which is expected to substantially increase the Company's turnover and profitability.

Considering his key role in the Company's ongoing and future endeavors, and having regard to the above and keeping in mind the comparable level of remuneration, in accordance with the recommendation of the Remuneration Committee, the Board of Directors have thought it prudent and desirable to appoint Shri Sudarshan Chokhani as Managing Director for a period of three years with terms and conditions as per the provisions of Schedule XIII of the Companies Act, 1956.

The proposed remuneration and terms and conditions of appointment of the Managing Director is given in the resolution. The draft agreement was approved and adopted.

Name	Mr. Sudarshan Chokhani, Managing Director
Period	September 01, 2012 to August 31, 2015
Salary	Upto ₹ 2,50,000 per month
Commission	Such amount which together with the annual salary and perquisites, will 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 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 for the 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 calls 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 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 Managing Director ceases to be a Director of the Company due to any reason or cause, he shall cease to be the Managing Director in terms of the agreement.
- [3] The pecuniary relationship of the 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 to be entered into may be terminated by either party by giving to the other party three months notice of such termination.

Memorandum of Interest :

Shri Sudarshan Chokhani is interested in his contract.

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

None of the other Directors are concerned or interested in the appointment and payment of remuneration to Shri Sudarshan Chokhani.

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

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

Name of the Director	Shri Sudarshan Chokhani	Shri Shyantanu Chokhani
Date of Birth	June 04, 1954	December 20, 1990
Date of appointment	August 08, 1979	December 29, 2008
Director Identification Number	00243355	02444142
Qualification	B.Com., EDP	BBA [Nottingham University]
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.	1/2	Nil
Relationship between Directors inter-se	Related to two directors of the Company	Related to promoter and other director of the Company
Number of Equity Shares of ₹ 10 each held	933587	1218200

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 : May 31, 2012

Kiran Inamdar
Company Secretary

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the **Thirty Third Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended on March 31, 2012.

I. FINANCIAL RESULTS :

The financial performance of your Company for the year ended March 31, 2012 is summarized below :

[₹ in Lacs]

Particulars	2011-12	2010-11
Revenue from Operations [Net]	11319.86	11010.83
Earnings before interest, depreciation and tax	852.94	993.27
Less : Finance Costs	441.42	349.78
Less : Depreciation	165.05	103.41
Profit before tax	246.47	540.08
Less : Tax expense	51.91	190.24
Profit after tax	194.56	349.84
Opening balance in Statement of Profit and Loss	534.81	248.73
Amount available for appropriation	729.37	598.57
That the Directors recommend for appropriation as under:		
Proposed Dividend on Equity Shares	61.68	54.68
Tax on Proposed Dividend	10.02	9.08
Closing Balance in Statement of Profit and Loss	657.67	534.81

OPERATIONS AND RESULTS :

The ministry of Corporate Affairs [MCA] vide notification no. S.O. 447[E] dated February 28, 2011 amended the existing schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from April 1, 2011. The Financial Statements of your Company for the year ended March 31, 2012 have been prepared in accordance with the Revised Schedule VI and accordingly the previous year's figures have been reclassified/regrouped to conform to this year's Classification.

Net Revenue from Operation increased slightly to ₹ 11319.86 Lacs as compared to net revenue of ₹ 11010.83 Lacs. Net profit for the current year is ₹ 194.56 Lacs [Excluding the octroi refund of ₹ 138.31 Lacs received/receivable for Financial Year under review directly credited to Capital reserve account; previous year ₹ Nil] as against ₹ 349.97 Lacs in the previous year. Higher depreciation, high finance cost and increase in costs of production were the main cause of subdued profit during the current year.

II. DIVIDEND :

Your Directors recommend a dividend payment of ₹ 1.00 per equity share of ₹ 10 each for the financial year 2011-12. The dividend payment on equity shares will amount to ₹ 67.61 Lacs inclusive of tax on dividend of ₹ 9.43 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 ₹ 122.86 Lacs is proposed to be retained in the Statement of Profit and Loss.

IV. BUSINESS REVIEW :

Your company has a mission to be the best in the business and continues to invest in building capacities. Operations of the third extrusion press are stabilised, the fourth & fifth extrusion presses have started and are expected to stabilize by the third quarter of the current year.

In the earlier year/s, the Company had announced to explore the viability of a Hotel project. Due to technical intricacies, it was decided by the Board to utilize the available land for installation of the fourth and fifth extrusion presses.

As explained in the previous year's report, land has been acquired at Gloschi near Nashik. Its utilization options shall be reviewed once the policies of the Government of Maharashtra are announced. The offshore wholly owned subsidiary company's activity at RAS Al Khaimah U.A.E. has been dropped. The Company has not taken/committed any capital exposure for the same.

In view of the above macro changes, the Board has initiated a expansion plan under "mega project" status declared by the Government of Maharashtra at Nardhana, District-Dhule which will have substantially higher capacity compared to the present plants. The details of this huge expansion is being worked out. Plans are afoot to complete this mega project within a period of three years from the zero date of starting it.

V. CAPACITY EXPANSION :

In view of growing demand in various user sectors, increasing applications, growth in per capita consumption, the Company has increased its manufacturing capacities and overall allied equipments along with upgrading existing facilities as well as installations of certain equipments to reduce quantity of energy consumption and reduce financial burden with optional consumption of energy. With five plants in operation, the company has a single point agenda of *sustaining growth*.

VI. LISTING OF SHARES :

The Companies securities are listed on the BSE Limited, Mumbai. The listing fees for the financial year 2012-13 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 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.