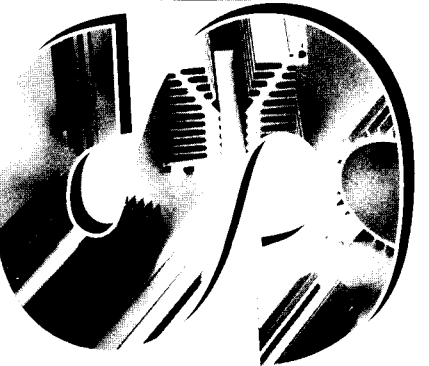
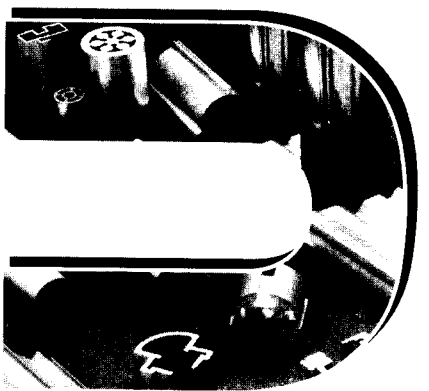
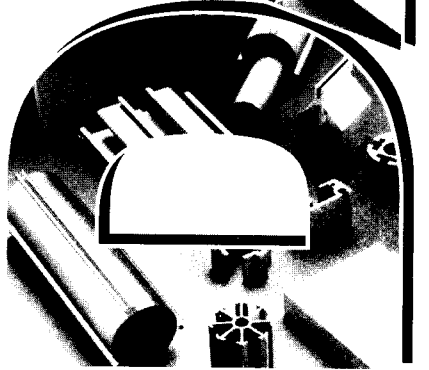
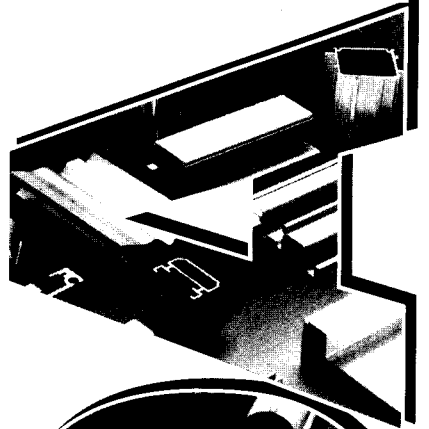
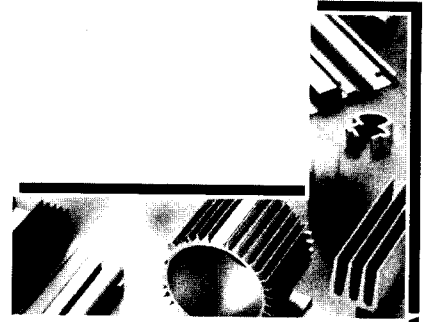


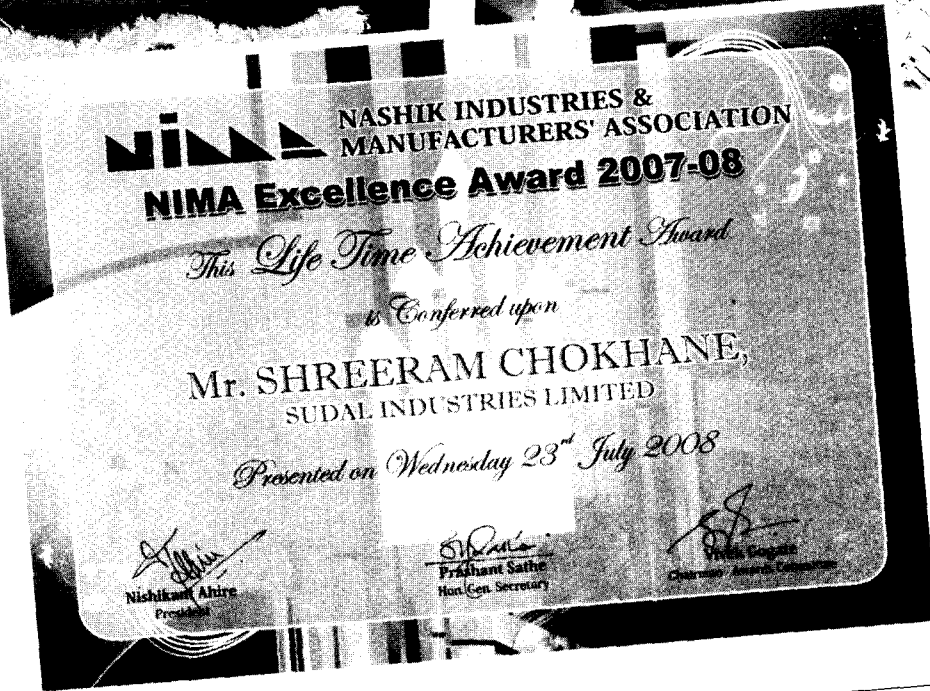
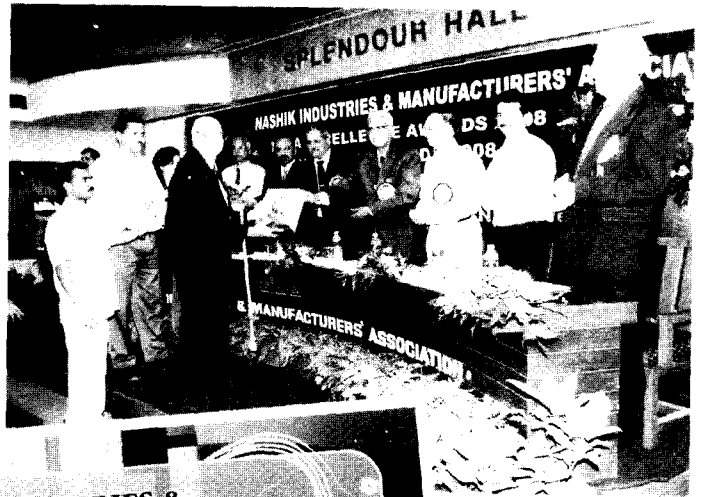
SUDAL

INDUSTRIES LIMITED



30TH ANNUAL REPORT 2008-2009





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)

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

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

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.



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, necessaries 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



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:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) 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.
- (c) 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.
- (d) 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



Directors' Report to the Members

ANNEXURE – A

(A) Measures taken to conserve energy:

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

(B) Additional Investment Proposed.

- Homogenizing Furnace conversion from electrical to LPG.
- To install main pump motor HP on Press-II to reduce energy consumption.
- Bailing Press for New Foundry Shop to facilitate fast charging to reduce oil consumption.
- To reduce rejection, install puller on run out table on Press – I
- 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



Directors' Report to the Members

ANNEXURE – B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION OF RESEARCH AND DEVELOPMENT (R&D)

1. Specific area in which R & D carried out by the Company : (a) Foundry shop new design tilting furnaces 6 MT & 10 MT from Electrical to LPG. Gas fired billet heater.
(b) 5" & 8" Hot Top casting system
2. Benefit derived as a result of R & D : (i) Reduced oil consumption.
(ii) Improved Billet Quality.
(iii) Increase in input rate.
(iv) Minimized rejection percentage.
3. Future plan of action : (i) Use of LPG instead of Electricity for homogenizing furnace.
(ii) Use HP pump motor to reduce electrical consumption.
(iii) install bailing press for reducing oil consumption.
4. Expenditure in R & D : (a) Capital Rs. –
(b) Recurring Rs. 3.37 Lakhs
(c) Total Rs. 3.37 Lakhs
(d) Total R & D expenditure as a percentage of turnover 0.04% (Approx.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards absorption, adaptation and innovation. : As 1, 2, & 3 above
2. Benefit derived as a result of the above efforts i.e. Product improvement, Cost reduction, Product development, import substitution etc. : Already achieved partly & balance is in progress.
3. In case of imported technology: (imported during the last 5 years reckoned from the beginning of the financial year) following information to be furnished.
 - (a) Technology imported : No Technology Imported
 - (b) Year of import : –
 - (c) Has technology been fully absorbed : Technical assistance for extrusion Die design, manufacturing and correction, extr. ageing, homogenising etc., maintenance practices recommended by Reynolds, Germany have been put to practice as per the training to Engineers of the Company.
 - (d) If not fully absorbed areas where this has not been taken place, reason therefore and future plans of action.

FOREIGN EXCHANGE EARNINGS & OUTGO:

The Company is exploring the possibility of export of its products. However, exports are not competitive with that of domestic market.

The required information in respect of foreign exchange earnings and outgo has been given in the Notes forming part of the Accounts for the year ended 31st March, 2009.

For and on behalf of the Board

CHAITAN M. MANIAR
Chairman

Place : Mumbai

Date : 30th April, 2009



ANNEXURE "C" TO THE DIRECTORS REPORT: CORPORATE GOVERNANCE:

1. Company's Philosophy:

Your company has been practicing the principles of good corporate governance and believes in importance of transparency and accountability in all facets of its operations. It is following sound systems to support healthy business operations and endeavors continuous improvements. Your company has implemented, to the extent possible, the recommendations of the code of corporate governance as per the guidelines.

The Board of Directors of the company has adopted the code of conduct for its members and senior management covering company's value, principles, behavioral ideals, integrity, ethical conduct whereby interest of the company is taken care and it is reviewed periodically.

2. Corporate Ethics:

(a) The Board of Directors of the Company has adopted the code of conduct for its members and senior management at its meeting held on 26/06/2006 and it is reviewed from time to time. The Code highlights corporate governance as the cornerstone for sustained management performance and serving all the stakeholders.

(b) The Company has adopted a Code of Conduct for Prevention of Insider Trading for its management staff and directors.

(c) The Company encourages all employees and directors to report any suspected violations promptly and intend to investigate any good faith report of violations.

(d) The Company has adopted Safety, Health and Environment system with a commitment to provide a safe and healthy working environment.

3. Secretary's Responsibility Statement:

A Separate secretarial compliance certificate is given by the Company Secretary of the company.

4. Board of Directors:

The Board of Directors of the Company comprises of a Managing Director, Joint Managing Director and presently five Non-Executive Directors.

Category of Director

Promoter/Executive

Name of the Director

Shri S. C. Chokhani — Industrialist
B.Com., DBM (ECP, USA)

Shri S. S. Chokhani — Industrialist
B.Com., AMP in Financial Management

Non-Executive Independent

Shri S. Malhotra — Executive
(Syndicate Bank Nominee up to 28/09/2008)

Shri C. M. Maniar (M.A., B.Com., LL.B.)
Solicitor & Advocate
(Partner Crawford Bayley & Co.)

Shri D. N. Ajitsaria — Business
B.E. (Mechanical)(Promoters' relative)

Shri M. O. Shah (B.Com., C.A.) Practicing
Chartered Accountant.

* Shri D. C. Shah (B.Com) — Business
(Additional Director w. e. f. 29/12/2008)

* Shri Shyantanu S. Chokhani (Management Student)
(Additional Director w.e.f. 29/12/2008)
(Promoters' relative)

* (Being appointed as director in Annual General Meeting to be held on 18th July, 2009 and respective details are given in the explanatory statement of the notice of the meeting).

Attendance of each Director at the Board Meeting and last Annual General Meeting held during 2008-09 and number of Directorships of other Public Limited Companies and Chairmanship/Membership of Committees of each Director are:

Name of the Director	Other Pub./Pvt. Companies in which a Director	No. of Board Meetings/Audit Committee Meeting attended (6/4)	Attendance at last AGM	No. of Committee Membership	No. of Committee Chairmanship
S. C. Chokhani	-/01	01	Yes	01	01
S. S. Chokhani	- /01	06/04	Yes	03	-
C. M. Maniar	14/04	05	-	10	01
D. N. Ajitsaria	-	01/01	-	02	-
M. O. Shah	01/0	06/04	-	04	02



Report on Corporate Governance

Name of the Director	Other Pub./Pvt. Companies in which a Director	No. of Board Meetings/Audit Committee Meeting attended (6/4)	Attendance at last AGM	No. of Committee Membership	No. of Committee Chairmanship
S. Malhotra (Nominee of Syndicate Bank) (up to 29/09/2008)	-	0	-	-	-
D. C. Shah (Addl. Director) (w.e.f. 29/12/2008)	-/-	02/01	-	03	-
S. S. Chokhani (Addl. Director) (w.e.f. 29/12/2008)	0/1	-	-	-	-

Number of Board Meetings held during the year and the dates on which held:

Six Board Meetings were held during the financial year 2008-09. The date on which the said meetings were held are as follows:

16th April, 2008	29th December, 2008
25th July, 2008	16th January, 2009
31st October, 2008	27th February, 2009

Particulars of Directors:

Particulars of Director seeking Re-appointment are as under:

Name of Director	: Shri D. N. Ajitsaria	Shri Sudarshan S. Chokhani
Qualification	: B.E. (Mechanical)	B.Com., AMP in Financial Management
Expertise Function technical expertise Area	: production, product development marketing, civil construction and infrastructure. Running own business for more than 3 decades.	Industrialist and promoter of the company.
Director of other companies	: -	Sudal Enterprises Pvt. Ltd.

5. Audit Committee:

The Terms of reference of this committee are wide enough covering the Matters specified for the audit committee under clause 49 of the Listing agreement as well as under section 292A of the Companies Act, 1956

1. Shri D. N. Ajitsaria – Non-Executive Independent
2. Shri S. S. Chokhani – Executive
3. Shri M. O. Shah – Non-Executive Independent, chairman
4. Shri D. C. Shah – Non-Executive Independent, (w.e.f. 29/12/2008)

Now, meetings are held as per the requirement and for the purpose. The role and terms of reference of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement, among other things.

The meetings were held on 16/04/08, 25/07/08, 31/10/08, 16/01/09.

The Company Secretary of the Company is the Secretary of the Committee and Chief Financial Officer of the Company is the Coordinator of the committee.

6. Remuneration Committee:

The Board has also constituted Remuneration Committee with following Directors, who shall decide payment of remuneration to Directors subject to other statutory approvals as also directive to decide on staff annual pay structure, etc. One meeting was held on 16/04/2008 for specific purpose.

1. Shri D. N. Ajitsaria – Non-Executive Independent
2. Shri S. S. Chokhani – Executive
3. Shri M. O. Shah – Non-Executive Independent, Chairman.
4. Shri D. C. Shah – Non-Executive Independent, (w.e.f. 29/12/2008)

The Company Secretary of the company is the Secretary of the Committee.

The details of Directors' remuneration during the year 2008-09 are as under:

Name of Director	Salary Paid (Rupees)	Sitting Fee Paid (Rupees)
S. C. Chokhani	7,10,400.00	-
S. S. Chokhani	3,68,400.00	-



Report on Corporate Governance

Name of Director	Salary Paid (Rupees)	Sitting Fee Paid (Rupees)
C. M. Maniar	-	6,250.00
S. Malhotra (Nominee of Syndicate Bank)	-	-
D. N. Ajitsaria	-	1,250.00
M. O. Shah	-	7,500.00
D. C. Shah	-	3,750.00
S. S. Chokhani	-	-

Shri S. C. Chokhani, Managing Director, and Shri S. S. Chokhani, Joint Managing Director, are the Executive Directors on the Board. The Board determines their remuneration. During the year the aggregate value of salary and perquisites paid to the Managing Director, Shri S. C. Chokhani, was Rs. 7,10,400/- and to the joint Managing Director Shri S. S. Chokhani was Rs. 3,68,400/-. Besides this, they are also entitled to Gratuity and encashment of leave at the end of the tenure as per the company rules.

The non-executive Directors are paid sitting fees for attending the meetings of the Board and Committees at the rate of Rs.1,250/- per meeting. The Company does not have a policy of paying remuneration in any other form to the non-executive Directors viz. commission, stock options, etc.

7. Share Transfer Committee/Share-holders/Grievance Committee:

The Transfer Committee comprises of Shri S. C. Chokhani and Shri S. S. Chokhani, which was formed much before the Corporate Governance came into operation. (Shri Dinesh C. Shah has been appointed as one of the members of the said committee w.e.f. 29/12/2008)

In the said Committee meeting, investor complaints, if any, are redressed. The certificate in respect of compliance towards all formalities received from Registrar and Share Transfer Agent, of share transfers, redressal of grievance of shareholders, if any, is regularly placed before the Committee.

The company has received total 6 complaints during the year 2008-09 which were disposed off and no complaint is pending of such period from company's side. The Company Secretary of the company is the Secretary of the said Committee and he is also the Compliance Officer.

8. General Body Meeting:

Location and time for the last three Annual General Meetings were:

Year ended	Date	Time	Location
31/03/2006	30/09/2006	3.00 p.m.	Hotel Sai Palace, Mumbai-Nashik Highway, CIDCO, Nashik - 422 010
31/03/2007	29/09/2007	3.00 p.m.	Hotel Sai Palace, Mumbai-Nashik Highway, CIDCO, Nashik - 422 010
31/03/2008	02/06/2008	3.00 p.m.	Hotel Sai Palace, Mumbai-Nashik Highway, CIDCO, Nashik - 422 010.

There is one proposal of Special Resolution in this financial year in respect of change in Object Clause.

9. Disclosures:

The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, or relatives that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Notes on Accounts Note No. 9 of Schedule 20 to the accounts in the Annual Report.

The Company has complied with the requirement of regulatory authorities on capital markets. The Company's ISIN has already made live in the CDS system with CDSL and NSDL.

There have been no instances of non-compliance by the Company on any matters related to the capital market, nor have any penalty/strictures been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities on such matters for last three years.

Certificate from Jt. Managing Director and Chief Financial Officer.

Certificate from Shri S. S. Chokhani JT. MD and Shri M. V. Ashar CFO in terms of Clause 49 (V) of the listing agreement with stock Exchange for the financial year ended 31st March, 2009 was placed before the Board of Directors of the Company in its meeting held on 30/04/2009.

10. Means of Communication:

The quarterly results are generally published in "Free Press Journal" and "Navshakti".

The Management Discussion & Analysis is mentioned in the Directors Report.



Report on Corporate Governance

11. Shareholders Information:

Annual General meeting

Day and Date : Saturday, 18th July, 2009.
Venue : Hotel Sai Palace, Mumbai-Nashik Highway, Nashik - 422 010.

Financial Calendar (Tentative)

Financial Reporting for the quarter ending June 30, 2009 : 4th week of July, 2009
Financial Reporting for the quarter ending September 30, 2009 : 4th week of October, 2009
Financial Reporting for the quarter ending December 31, 2009 : 4th week of January, 2010
Financial Reporting for the quarter ending March 31, 2010 : Audited Results for entire financial year by last week of June, 2010

Book Closure: The Register of Members and Share Transfer Register will remain closed from 8th July to 18th July, 2009 (both days inclusive) on account of Annual General Meeting.

Registered Office: A-5, MIDC Ambad Indl. Area, Mumbai-Nashik Highway, Nashik - 422 010.

Listing at Stock Exchanges:

The Equity Shares of the Company are listed at:
The Stock Exchange – Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.

Stock Code: Mumbai : SUDARAL

Equity

Mumbai Stock Exchange : 506003

Stock Market Data:

Monthly high and low prices of Equity Shares of the Company quoted at the Stock Exchange - Mumbai during the year 2008-2009 are as under:

(Amount in Rs.)

Month	Mumbai Stock Exchange (BSE)	
	High	Low
April 2008	22.73	12.50
May 2008	27.25	20.30
June 2008	24.85	17.00
July 2008	18.95	14.70
August 2008	19.95	16.00
September 2008	17.00	14.15
October 2008	14.65	08.26
November 2008	10.79	08.88
December 2008	12.83	09.00
January 2009	11.97	08.70
February 2009	10.05	08.16
March 2009	09.65	07.68

Source: BSE Website

Share Transfer System:

Presently, transfers, transmission, etc. are processed in Sharepro Services (I) Pvt. Ltd., the company's Share Transfer Registrars and Transfer Agents (RTA). There after, RTA sends Share Transfer Register to the company for approval. Share Transfer Register is placed before Share Transfer Committee for its approval. The company intimates RTA the date of approval. On receipt of Share Certificates duly endorsed, the Secretary of the company put the signature after due verification with Share Transfer Register and sends back to RTA for their onward dispatch to respective transferee.

The Company, as per SEBI guidelines, is offering the facility of transfer cum demat.



Report on Corporate Governance

Distribution of Shareholding as on 31st March, 2009:

Equity Shares held (in Nos.)	No. of Shareholders	% of Shareholders	Total Holding	% of Total Holding
Upto 500	10172	94.755	843680	19.097
501 to 1000	333	3.102	253862	5.746
1001 to 2000	115	1.071	170100	3.850
2001 to 3000	31	0.289	80680	1.826
3001 to 4000	21	0.196	76140	1.723
4001 to 5000	13	0.121	66627	1.440
5001 to 10000	22	0.205	169467	3.836
10001 and above	28	0.261	2760262	62.480
Total	10735	100.000	4417818	100.000

Categories of Shareholding as on 31st March, 2009:

Category	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Promoters/Relatives	17	0.16	1766220	39.98
Banks	01	-	50	-
Fin. Institutions	-	-	-	-
Mutual Funds	-	-	-	-
FII/NRI/OCBS'	13	0.12	433550	9.82
Body Corporate	89	0.84	174470	3.95
Resident Individual	10615	98.88	2043528	46.25
Shares in Transit in Depository	-	-	-	-
Total	10735	100.00	4417818	100.00

- Dematerialisation of Shares & Liquidity : Over 72.25% of Equity Shares have been Dematerialised as on 31.03.2009.
- Plant Location : A-5, MIDC, Ambad Industrial Area, Mumbai-Nashik Highway, Nashik-422 010.
- Investor Correspondence : Sharepro Services (I) Pvt. Ltd., Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai-400 099.
Tel. No. 2821 5168/2832 9828
Fax No. 2837 5646

12. Compliance Certificate:

A certificate from the auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Compliance certificate for code of conduct: The declaration by Managing Director, affirming compliance of Board and Senior Management personnel to the code is also annexed herewith.



AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Members of
Sudal Industries Limited

We have examined the compliance of the conditions of corporate governance by Sudal Industries Limited for the year ended 31st March, 2009, as stipulated in clause-49 of the Listing Agreement of the said Company with Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us representations made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & COMPANY
Chartered Accountants

Place : Mumbai
Dated : 30th April, 2009

(R. P. Baradiya)
Partner

DECLARATION CODE OF CONDUCT

All Board members and senior management personnel have already affirmed continued compliance with the Code of Conduct laid by the Board of Directors in terms of the Listing Agreement entered with the Stock Exchange.

For SUDAL INDUSTRIES LIMITED

Place : Mumbai
Dated : 30th April, 2009

Shriram C. Chokhani
Managing Director

SECRETARIAL COMPLIANCE CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Sudal Industries Limited, having its Registered Office at A-5 MIDC., Ambad Industrial Area, Mumbai-Nashik Highway, Nashik, Maharashtra, has complied with all the statutory requirements and maintained all books / records as required under the Companies Act, 1956 and also complied with the requirements prescribed by SEBI and all other applicable statutes and rules there under, to the best of knowledge of the under named.

For SUDAL INDUSTRIES LIMITED

Place : Mumbai
Dated : 30th April, 2009

K. G. INAMDAR
Company Secretary



Auditors' Report to the Members Sudal Industries Limited

We have audited the attached Balance Sheet of **SUDAL INDUSTRIES LIMITED** as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004, (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit subject to what is stated in note no. 12 of Schedule '20', of the significant accounting policies and notes to accounts regarding information about micro and small enterprises;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act to the extent applicable;
- (v) on the basis of written representations received from the directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and other notes in Schedule '20' and those appearing elsewhere in the accounts, give the information required by the Act, in the manner so required and give a true and fair view in conformity with

- the accounting principles generally accepted in India;
- (a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2009;
 - (b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For LODHA & COMPANY
Chartered Accountants

R. P. BARADIYA

Partner

Place : Mumbai
Dated : 30th April, 2009

Membership No. 44101

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph (3) of our Report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management at the year end which is considered reasonable having regard to the size of the Company and the nature of its assets and no material discrepancies were noticed on such verification.
2.
 - (a) The stocks of finished goods, stores, spare parts and raw materials have been physically verified by the management at regular intervals. Stocks in the possession and custody of third parties as on 31st March, 2009 have been verified by the management with reference to confirmation or statement of account or correspondence with the third parties or subsequent receipt of goods.
 - (b) In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company is maintaining proper records of inventories and discrepancies noticed on physical verification of stocks as compared to book records were not material considering the operations of the Company and have been properly dealt with in the books of account.
3.
 - (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
 - (b) The Company had taken in earlier years interest free unsecured loans from two parties covered in the register maintained under Section 301 of the Act. The maximum balance at any time during the year was Rs. 75,31,300 and the year end balance was Rs. 16,300. In our opinion, the terms and conditions whereof were, prima facie, not prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased and sold are of special nature and suitable alternative sources



Auditors' Report to the Members Sudal Industries Limited

do not exist for obtaining comparable quotations, there are internal control systems needs to be strengthened commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts and arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and aggregating during the year to Rs. 5,00,000 or more in respect of each party, have been made at the prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any fixed deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder.
7. The Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company, pursuant to the Order of the Central Government under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We are, however, not required to make a detailed examination of such records with a view to determine whether they are accurate or complete.
9. (a) According to the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other material statutory dues applicable to the Company except delays in payment of Income Tax and Sales Tax ranging from 1 to 5 days amounting to Rs. 30,15,411 and 25 to 53 days amounting to Rs. 7,74,024 with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at 31.03.2009 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues in respect of Provident Fund, Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax, Excise Duty and Cess which has not been deposited on account of any dispute except excise duty of Rs. 43,74,693 dispute whereof is pending before the Additional Commissioner of Central Excise & Customs, Aurangabad and Nashik.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and immediately preceding financial year.
11. During the year, the Company has not defaulted in repayment of dues to the financial institution and the bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. As the Company is not a nidhi/mutual benefit fund/society, the provisions of clause 4(xiii) of the Order is not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, the term loans were applied for the purposes for which the loans were taken.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short term basis have not been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management except for exceptional Income received resulting from settlement with an ex-employee for certain acts and transactions as referred to in Note No. 4 in Schedule '20' attached to the financial statements.

For LODHA & COMPANY
Chartered Accountants

R. P. BARADIYA
Partner

Place : Mumbai
Dated : 30th April, 2009

Membership No. 44101



Balance Sheet, Profit and Loss Account and Schedules

BALANCE SHEET

	Schedule	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
I. SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
Share Capital	1	4,41,57,180	4,41,57,180
Reserves and Surplus	2	10,10,20,489	9,97,42,771
		14,51,77,669	14,38,99,951
2. LOAN FUNDS			
Secured Loans	3	5,90,45,567	9,53,09,586
Unsecured Loans	4	16,300	75,31,300
		5,90,61,867	10,28,40,886
TOTAL		20,42,39,536	24,67,40,837
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
(a) Gross Block	5	42,42,82,684	39,42,82,376
(b) Less : Depreciation		27,07,80,124	25,94,88,207
(c) Net Block		15,35,02,560	13,47,94,169
(d) Capital Work-In-Progress		44,32,422	1,33,92,447
2. INVESTMENTS	6	1,000	87,300
3. DEFERRED TAX ASSETS (Net)		66,28,474	—
4. CURRENT ASSETS, LOANS AND ADVANCES			
(a) Inventories	7	10,10,71,465	8,28,78,140
(b) Sundry Debtors	8	19,32,43,342	10,57,12,696
(c) Cash and Bank Balances	9	26,946	11,39,812
(d) Loans and Advances	10	1,73,20,160	1,20,12,504
		31,16,61,913	20,17,43,152
Less: CURRENT LIABILITIES & PROVISIONS	11	27,19,86,833	14,57,59,646
NET CURRENT ASSETS		3,96,75,080	5,59,83,506
5. PROFIT AND LOSS ACCOUNT — LOSS		—	4,24,83,415
TOTAL		20,42,39,536	24,67,40,837

Significant Accounting Policies and Notes on Accounts 20

Schedules referred to above form part of the Balance Sheet

As per our attached report of even date
for LODHA & COMPANY
Chartered Accountants

(R. P. BARADIYA)
Partner

M. V. ASHAR
Chief Financial
Officer

K. G. INAMDAR
V. P. (Corporate Services)
& Company Secretary

SHRIRAM C. CHOKHANI
Managing Director

S. S. CHOKHANI
Jt. Managing
Director

MANOJ O. SHAH
Director

Place : Mumbai,
Dated : 30th April, 2009



Balance Sheet, Profit and Loss Account and Schedules

PROFIT AND LOSS ACCOUNT

	Schedule	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
INCOME			
Sales and Other Operating Income	12	77,17,73,683	78,27,64,977
Less: Excise Duty		7,01,83,935	10,03,96,074
Net Sales		<u>70,15,89,748</u>	<u>68,23,68,903</u>
Other Income	13	5,18,287	2,13,303
Increase/(Decrease) in stock	14	10,16,724	(92,69,216)
TOTAL		<u>70,31,24,759</u>	<u>67,33,12,990</u>
EXPENDITURE			
Consumption of Raw Materials	15	43,13,70,616	49,57,14,245
Purchase for resale		9,98,12,026	—
Manufacturing Cost	16	5,94,40,335	5,81,76,925
Payments to and Provisions for Employees	17	2,78,02,611	2,14,51,155
Other Expenses	18	1,60,07,592	3,12,38,191
TOTAL		<u>63,44,33,180</u>	<u>60,65,80,516</u>
Profit before Interest and Depreciation		6,86,91,579	6,67,32,474
Interest & Finance Charges	19	2,43,24,827	2,81,37,430
Depreciation		1,12,96,321	1,04,85,807
Less: Transferred from Revaluation Reserve		(64,99,965)	(64,99,965)
		<u>47,96,356</u>	<u>39,85,842</u>
Profit before Exceptional Income		3,95,70,396	3,46,09,202
Exceptional Income (Refer note No. 4 in Schedule '20')		50,02,962	—
Profit before Tax		4,45,73,358	3,46,09,202
Provision for taxation — Current Tax (MAT)		61,03,244	—
— Deferred Tax Assets		(66,28,474)	—
— Fringe Benefit Tax		4,31,079	3,76,350
— MAT Credit		(55,93,589)	—
Profit after tax		5,02,61,098	3,42,32,852
(Loss) brought forward		(4,24,83,415)	(7,94,32,877)
Less: Transfer from Capital Reserves		—	27,16,610
Balance being Profit/(Loss) carried to Balance Sheet		<u>77,77,683</u>	<u>(4,24,83,415)</u>
Basic/Diluted Earning Per Share		11.38	7.75
Significant Accounting Policies and Notes on Accounts	20		

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

As per our attached report of even date
for LODHA & COMPANY
Chartered Accountants

(R. P. BARADIYA)
Partner

M. V. ASHAR
Chief Financial
Officer

K. G. INAMDAR
V. P. (Corporate Services)
& Company Secretary

SHRIRAM C. CHOKHANI
Managing Director

S. S. CHOKHANI
Jt. Managing
Director

MANOJ O. SHAH
Director

Place : Mumbai,
Dated : 30th April, 2009



Balance Sheet, Profit and Loss Account and Schedules

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	Current Year Rs.	Previous Year Rs.
A. Cash Flow from operating Activities			
Net Profit/(Loss) before tax and extraordinary items		4,45,73,358	3,46,09,202
Adjustments for:			
Depreciation		47,96,356	39,85,842
(Profit)/Loss on Discardation of Fixed Assets/Investment		16,672	—
Interest – Paid		2,43,24,827	2,81,37,430
Operating Profit before Working Capital Changes		7,37,11,213	6,67,32,474
Adjustments for:			
(Increase)/Decrease in Debtors		(8,75,30,646)	5,19,246
(Increase)/Decrease in Inventories		(1,81,93,325)	1,90,25,686
(Increase)/Decrease in other current assets		(1,08,19,945)	23,01,460
Increase/(Decrease) in other Current Liabilities		12,62,27,187	(6,18,32,581)
Cash generated from operation		8,33,94,484	2,67,46,285
Taxes Paid		46,52,855	9,57,305
Net Cash from Operation Activities		8,80,47,339	2,77,03,590
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets		(2,10,51,358)	(1,62,49,202)
Net Cash used in Investing Activities		(2,10,51,358)	(1,62,49,202)
C. Cash Flow from Financing Activities			
(Repayment)/Proceeds from Bank Borrowings		(3,62,64,020)	1,62,02,836
Receipt/(Repayment) of other Loan		(75,15,000)	(2,40,000)
Interest – Paid		(2,43,24,827)	(2,81,37,430)
Net cash used in financing activities		(6,81,03,847)	(1,21,74,594)
Net Increase/(Decrease) in Cash and Cash Equivalent		(11,07,866)	(7,20,206)
Opening Balance of Cash and Cash Equivalent		11,33,812	18,54,018
Closing Balance of Cash and Cash Equivalent		25,946	11,33,812
Significant Accounting Policies and Notes on Accounts	20		

Schedules referred to above form part of the Cash Flow

- Notes: 1. The above cashflow statement has been prepared under the indirect method set out in AS-3 issued by the institute of Chartered Accountants of India.
2. Cash and cash equivalents excludes balance in margin money and deposits Rs. 1,000 (Previous year Rs.6,000)
3. Figures in brackets indicate cash outflow.
4. Previous year's figures have been regrouped/rearranged/reclassified wherever necessary to conform to the current year's presentation

As per our attached report of even date
for LODHA & COMPANY
Chartered Accountants

(R. P. BARADIYA)
Partner

M. V. ASHAR
Chief Financial
Officer

K. G. INAMDAR
V. P. (Corporate Services)
& Company Secretary

SHRIRAM C. CHOKHANI
Managing Director

S. S. CHOKHANI
Jt. Managing
Director

MANOJ O. SHAH
Director

Place : Mumbai,
Dated : 30th April, 2009



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 1		
SHARE CAPITAL		
Authorised		
60,00,000 Equity Shares of Rs. 10 each	6,00,00,000	6,00,00,000
	6,00,00,000	6,00,00,000
Issued		
45,20,012 Equity Shares of Rs. 10 each	4,52,00,120	4,52,00,120
	4,52,00,120	4,52,00,120
Subscribed and paid up		
44,17,818 Equity Shares of Rs. 10 each	4,41,78,180	4,41,78,180
Less: Calls in arrears (subject to reconciliation; and due from other than Directors)	21,000	21,000
	4,41,57,180	4,41,57,180
SCHEDULE - 2		
RESERVES AND SURPLUS		
Revaluation Reserve (As per last Balance Sheet)	9,97,42,771	10,62,42,736
Less: Transferred to Profit and Loss Account (Being adjusted for depreciation on incremental value arising out of revaluation)	(64,99,965)	(64,99,965)
	9,32,42,806	9,97,42,771
Profit & Loss Account Balance (As per account annexed)	77,77,683	—
Capital Reserve (As per last Balance Sheet)	—	27,16,610
Less: Transfer to Profit & Loss Account	—	27,16,610
	10,10,20,489	9,97,42,771
SCHEDULE - 3		
SECURED LOANS		
FROM SYNDICATE BANK		
Term Loan	26,72,106	58,54,889
Working Capital Term Loan	—	2,10,000
Other Working Capital Facilities:	5,60,53,228	8,85,96,372
Secured by hypothecation of Stock-in-trade, Stores and Spares, Packing Materials, Book-Debts and first charge on Company's Movable & Immovable properties and personally guaranteed by two Directors of the Company		
FROM ICICI BANK	3,20,233	6,48,325
Secured by hypothecation of assets purchased thereagainst		
	5,90,45,567	9,53,09,586



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 4		
UNSECURED LOANS (other than short term)		
From Directors	16,300	7,531,300
	16,300	7,531,300

SCHEDULE - 5 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.2008 Rs.	Additions during the Year Rs.	Deductions during the year Rs.	As on 31.03.2009 Rs.	As on 01.04.2008 Rs.	For the year Rs.	Adjustment/ Deductions Rs.	As on 31.03.2009 Rs.	As on 31.03.2009 Rs.	As on 31.03.2008 Rs.
Leasehold Land	2,11,20,000	—	—	2,11,20,000	11,89,636	2,97,409	—	14,87,045	1,96,32,955	1,99,30,364
Building	3,43,09,166	1,28,82,803	—	4,71,91,969	98,64,517	9,26,374	—	1,07,90,891	3,64,01,078	2,44,44,649
Plant & Machinery	31,96,16,824	1,61,97,985	11,076	33,58,03,733	23,45,00,256	86,04,046	4,404	24,30,99,898	9,27,03,835	8,51,16,568
Electrical Installations	76,35,020	—	—	76,35,020	60,18,707	1,11,848	—	61,30,555	15,04,465	16,16,313
Office Equipments	13,60,230	1,36,490	—	14,96,720	8,39,173	77,812	—	9,16,985	5,79,735	5,21,057
Computers	48,10,021	7,94,106	—	56,04,127	31,79,236	8,94,071	—	40,73,307	15,30,820	16,30,785
Furniture & Fixtures	22,17,825	—	—	22,17,825	19,68,781	39,401	—	20,06,182	2,09,643	2,49,044
Vehicles*	32,13,290	—	—	32,13,290	19,27,901	3,45,360	—	22,73,261	9,40,029	12,85,389
Total	39,42,82,376	3,00,11,384	1,10,76.00	42,42,82,684	25,94,88,207	1,12,96,321	4,404	27,07,80,124	15,35,02,560	13,47,94,169
Previous Year	39,13,24,429	29,57,947	—	39,42,82,376	24,90,02,400	1,04,85,807	—	25,94,88,207	13,47,94,169	

* Note: Gross Block of Vehicles include Gross Block Rs. 22,56,207 (Previous year Rs. 22,56,207); Depreciation Block Rs. 13,66,207 (Previous year Rs. 10,55,290); Net Block Rs. 8,90,000 (Previous year Rs. 12,00,917) purchased on hire-purchase basis. These vehicles are held in the name of the director on behalf of Company.

Capital Work in Progress :	31.03.2009	31.03.2008
Assets under installation/ construction	RS.	RS.
Plant & Machinery	—	15,21,475
Building	—	78,43,457
Advances	44,32,422	40,27,515
Total	44,32,422	1,33,92,447

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 6		
INVESTMENTS (LONG TERM)		
Government Securities (Unquoted)		
(i) 7 Years National Savings Certificate VI Issue	—	5,000
(ii) 7 Years National Savings Certificate VI Issue	—	81,300
(iii) The Thane Janata Sahakari Bank Ltd. - Shares	1,000	1,000
	1,000	87,300

SCHEDULE - 7

INVENTORIES

(As taken, valued and certified by the Managing Director)

Stores and Spare Parts (Refer to Note No. 14(a) in Schedule '20')	7,28,18,490	6,62,13,343
Raw Materials [including goods-in-transit Rs. 58,76,052; (Previous year Rs. 2,77,570)]	1,12,03,685	6,32,231
Finished Goods	1,95,000	8,86,585
Work-in-process	1,68,54,290	1,51,45,981
	10,10,71,465	8,28,78,140



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
SCHEDULE - 8		
SUNDRY DEBTORS		
(Unsecured, considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered Good	5,63,390	3,67,359
Considered Doubtful	15,46,735	81,65,489
	21,10,125	85,32,848
Less: Provision for doubtful debts	15,46,735	81,65,489
	5,63,390	3,67,359
Other Debts	19,26,79,952	10,53,45,337
	19,32,43,342	10,57,12,696
SCHEDULE - 9		
CASH AND BANK BALANCES		
Cash on Hand	8,978	20,307
Balance with Scheduled Banks in:		
Current Account	16,968	11,13,505
*Fixed Deposit Account	1,000	6,000
	26,946	11,39,812
* Includes Fixed deposit receipts of Rs. 1,000 (Previous year Rs. 1,000) lodged with Central Excise Department, Nashik and Rs. Nil (Previous year Rs. 5,000) lodged with sales tax Department, Jabalpur.		
SCHEDULE - 10		
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	64,24,763	49,84,814
Deposits	52,66,179	56,60,279
Income Tax deducted at source	—	13,33,655
Advance Tax – FBT (Net of Provision Rs. 4,20,492; Previous year Rs. 4,20,492)	26,286	26,286
Balances with Central Excise	9,343	7,470
MAT Credit Entitlement	55,93,589	—
	1,73,20,160	1,20,12,504
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS		
(a) Current Liabilities		
Acceptances	6,12,48,902	6,28,24,057
Sundry Creditors:		
(a) Micro, Medium & Small Enterprises	—	—
(b) Associates/Group Companies	15,26,17,168	4,49,96,271
(c) Others	3,69,20,525	2,47,59,424
Other Liabilities	58,95,291	56,72,842
(b) Provisions		
Gratuity	82,56,047	62,97,940
Leave encashment	22,92,122	12,09,112
Taxation (Net of payment of Rs. 13,46,466; Previous Year Rs. Nil)	47,56,778	—
	27,19,86,833	14,57,59,646



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
SCHEDULE - 12		
SALES & OTHER OPERATING INCOME		
Sales – Manufactured Goods	64,56,34,788	75,90,24,863
Less: Excise Duty	6,96,71,551	9,99,47,581
	<u>57,59,63,237</u>	<u>65,90,77,282</u>
Sales – Traded Goods	10,05,56,977	—
Conversion Charges	2,12,84,097	2,06,78,696
Less: Excise Duty	13,811	19,685
	<u>2,12,70,286</u>	<u>2,06,59,011</u>
Sale of Scrap	42,97,821	30,61,418
Less: Excise Duty	4,98,573	4,28,808
	<u>37,99,248</u>	<u>26,32,610</u>
	<u><u>70,15,89,748</u></u>	<u><u>68,23,68,903</u></u>
SCHEDULE - 13		
OTHER INCOME		
Miscellaneous Income	5,18,287	2,13,303
	<u>5,18,287</u>	<u>2,13,303</u>
SCHEDULE - 14		
INCREASE/(DECREASE) IN STOCKS		
Opening Stock:		
Finished Goods	8,86,585	5,80,722
Work-in-Process	1,51,45,981	2,47,21,060
	<u>1,60,32,566</u>	<u>2,53,01,782</u>
Less: Closing Stock		
Finished Goods	1,95,000	8,86,585
Work-in-Process	1,68,54,290	1,51,45,981
	<u>1,70,49,290</u>	<u>1,60,32,566</u>
Increase/(Decrease)	<u>10,16,724</u>	<u>(92,69,216)</u>
SCHEDULE - 15		
CONSUMPTION OF RAW MATERIAL & COMPONENTS (Indigenous)		
Opening Stock	6,32,231	1,50,93,648
Add: Purchases	44,19,42,070	48,12,52,828
	<u>44,25,74,301</u>	<u>49,63,46,476</u>
Less: Closing Stock	1,12,03,685	6,32,231
	<u>43,13,70,616</u>	<u>49,57,14,245</u>



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

	For the year ended 31st March, 2009 Rs.	For the year ended 31st March, 2008 Rs.
SCHEDULE - 16		
MANUFACTURING COST		
Consumption of Stores & Spare Parts (Refer Note No. 14(b) in Schedule '20')	23,40,686	92,28,453
Power & Fuel	4,99,80,917	4,13,69,510
Labour Charges	59,83,869	59,45,742
Repairs & Maintenance to:		
Plant & Machinery	1,06,355	3,82,822
Buildings	1,07,143	2,25,869
Others	9,21,365	10,24,529
	5,94,40,335	5,81,76,925
SCHEDULE - 17		
PAYMENTS TO AND PROVISION FOR EMPLOYEES		
Salaries, Wages and Bonus	2,11,14,513	1,58,86,527
Contribution to Provident Fund and Other Funds	22,07,640	17,45,958
Staff Welfare Expenses	23,46,364	14,87,398
Gratuity (Refer note No. 15 in Schedule '20')	21,34,094	23,31,272
	2,78,02,611	2,14,51,155
SCHEDULE - 18		
OTHER EXPENSES		
Packing Charges	27,14,290	32,22,842
Rent	2,33,001	1,40,400
Service Charges	—	5,34,500
Insurance	2,49,025	2,58,605
Telephone and Postage	15,18,848	19,68,228
Travelling and Conveyance	28,73,279	25,99,505
Discount	4,49,096	82,156
Commission and Brokerage	4,33,382	1,07,39,570
Directors' Meeting Fees	18,750	18,750
Legal and Professional	14,17,818	11,89,283
Auditors' Remuneration	5,02,630	4,08,680
Rates and Taxes	5,06,948	6,63,177
Transportation	4,40,255	8,31,267
Miscellaneous Expenses	46,45,669	47,01,560
Bad Debts	—	38,83,716
Loss on Fixed Asset discarded/investments	16,672	—
Excise Duty on Stocks	(12,071)	(4,048)
	1,60,07,592	3,12,38,191
SCHEDULE - 19		
INTEREST AND FINANCE CHARGES		
Interest:		
Fixed Loans	5,65,329	10,70,753
Others (Net)	2,13,33,924	2,50,16,838
Finance Charges	24,25,574	20,49,839
	2,43,24,827	2,81,37,430



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE – 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

GENERAL:

- (a) The financial statements are prepared under the historical cost convention (except for certain fixed assets which have been revalued), on a going concern basis and in accordance with the applicable accounting standards.
- (b) All the expenses and income to the extent ascertainable with reasonable certainty are accounted for on mercantile basis.

USE OF ESTIMATES:

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

FIXED ASSETS:

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

IMPAIRMENT OF ASSETS:

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

INVESTMENTS:

Long term investments are stated at cost.

VALUATION OF INVENTORIES:

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

DEPRECIATION/AMORTISATION:

- (a) Value of Leasehold Land is amortized over the period of lease i.e. 95 years.
- (b) On vehicles, Furniture and Fixtures and Office Equipments, depreciation is provided on written down value method at the rate and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (c) On Buildings, Plant and Machinery and Electrical Installation, depreciation is provided on straight line method in the manner referred in the note (d) below:
- (d)
 - (i) in respect of assets acquired upto 1st April, 1987, depreciation has been provided at the rate corresponding to the rate applicable under the Income Tax Rules as in force at the time of acquisition of such assets;
 - (ii) in respect of addition/deletions made on or after 2nd April, 1987, at the rate and in the manner specified in the Schedule XIV to the Companies Act, 1956.
 - (iii) in respect of addition made by way of revaluation of certain fixed assets, on the basis of future estimated life to this assets.

ACCOUNTING FOR TAXES ON INCOME:

- (a) Provision for Income Tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income Tax Act, 1961.
- (b) Provision for Fringe Benefit Tax has been made in respect of employee benefits and other specified expenses as determined under the Income Tax Act, 1961.
- (c) Deferred tax resulting from timing difference between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to reverse. Deferred tax assets are recognised and carried forward only if there is a reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date. Credit Entitlement in respect of Minimum Alternate Tax (MAT) is considered on management estimation of regular taxation in future.



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE - 20 (Contd.)

SALES AND OTHER OPERATING INCOME:

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

TRANSLATION OF FOREIGN CURRENCY:

- Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.
- Foreign currency assets and liabilities except those for acquisition of fixed assets as at the end of the year are translated at the exchange rates prevailing at the date of the Balance Sheet and resultant gains/losses are recognised in the Profit and Loss Account.
- Foreign currency liability relating to acquisition of fixed assets is stated at the prevailing rate of exchange at the year end and the resultant gains/losses are adjusted to the cost of assets.

EMPLOYEE BENEFITS:

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

Gratuity liability under the Payment of Gratuity Act, 1972 is a defined benefit obligation which is not funded and is provided for on the basis of the actuarial valuation made at the end of each financial year.

Short term compensated absences are provided for based on estimates. Long Term compensated absences are provided for based on actuarial valuation made at the end of each financial year.

Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

BORROWING COSTS:

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

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

- Contingent Liabilities not provided for in respect of:

(Amount in Rupees)

Particulars	As at 31st March, 2009	As at 31st March, 2008
(i) Unexpired irrevocable letters of credit in respect of Raw Materials.	1,77,99,061	70,75,944
(ii) Counter Guarantee given by the company against the guarantees issued by the bank.	1,00,000	1,00,000
(iii) Disputed Excise Matter	43,74,693	43,74,693
(iv) Amount of interest liability/penalty on delayed/disputed/non-payment/non-deduction of statutory dues and on settlement of certain claims with certain agencies from time to time.	Amount Unascertainable	Amount Unascertainable

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of Advances). 2,07,26,257 3,34,78,485
- Exceptional Income represents amount received by the Company resulting from the settlement with an ex-employee in respect of certain acts and transactions carried out by him.
- Land, Buildings, Plant & Machinery and Electrical Installations were revalued in the accounts on 1st April, 1994. The same have again been revalued on 31st March, 2004 on the basis of reports of approved valuer on market value/replacement cost basis using standard indices. The following revalued amounts (net of withdrawals) remain substituted for the historical cost in the gross block of fixed assets.

	As at 31st March, 2009 (Rs.)	As at 31st March, 2008 (Rs.)
Land	2,11,20,000	2,11,20,000
Buildings	2,74,53,375	2,74,53,375
Plant & Machinery	29,55,23,547	29,55,23,547
Electrical Installation	76,35,020	76,35,020



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE - 20 (Contd.)

6. (a) Balances of certain Debtors, Creditors, Banks and Loans & Advances are subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the profit for the year, assets and liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect any material difference affecting the current year's financial statements.
- (b) In the opinion of the Board, the Current Assets and Loans & Advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
7. Deposits include Rs. 28,07,100 (Previous year Rs. 28,07,100) being interest free deposits given towards the use of the office premises to Partnership firms where certain Directors of the Company are partners.
8. The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and down stream/value added products. Since the inherent nature of activities as a whole is governed by the same set of risk and returns, these have been grouped as a single segment. No assets are located outside India. The said treatment is in accordance with the accounting standard on "Segment Reporting" (AS-17) as issued by The Institute of Chartered Accountants of India.
9. Related Parties Disclosures:
- (a) List of Related Parties:
- Parties with whom the Company has entered into transactions during the year in the normal course of the business:
- Associates/Group companies:
- Sudarshan Chokhani & Co.
Shriram Chokhani & Co.
Chhaganlal Sheokarandas & Co.
- Key Management Personnel:
- Mr. Shriram C. Chokhani (Managing Director)
Mr. Sudarshan S. Chokhani (Joint Managing Director)

Note: Related parties are as identified by the Company and relied upon by the Auditors.

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

Particulars	(Amount in Rupees)		
	Associates/ Group Companies	Key Management Personnel	Total
Purchases of goods			
Sudarshan Chokhani & Co.	20,21,39,664 (17,44,16,664)	— (—)	20,21,39,664 (17,44,16,664)
Shriram Chokhani & Co.	5,14,07,784 (1,62,44,772)	— (—)	5,14,07,784 (1,62,44,772)
Chhaganlal Sheokarandas & Co.	5,13,34,627 (75,73,680)	— (—)	5,13,34,627 (75,73,680)
Finance Charges			
Sudarshan Chokhani & Co.	51,38,188 (71,47,328)	— (—)	51,38,188 (71,47,328)
Shriram Chokhani & Co.	5,83,499 (8,82,882)	— (—)	5,83,499 (8,82,882)
Service Charges			
Sudarshan Chokhani & Co.	— (5,75,545)	— (—)	— (5,75,545)
Shriram Chokhani & Co.	— (24,720)	— (—)	— (24,720)
Loan Taken			
Sudarshan Chokhani & Co.	1,23,78,599 (1,31,26,459)	— (—)	1,23,78,599 (1,31,26,459)
Shriram Chokhani & Co.	14,95,636 (16,50,000)	— (—)	14,95,636 (16,50,000)
Managerial Remuneration	— (—)	10,75,327 (9,61,327)	10,75,327 (9,61,327)



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE – 20 (Contd.)

(c) Balances with Related Parties as on 31st March, 2009:

Particulars	(Amount in Rupees)		
	Associates/ Group Companies	Key Management Personnel	Total
Unsecured Loans			
Shriram C. Chokhani	—	—	—
	(—)	(6,50,000)	(6,50,000)
Sudarshan S. Chokhani	—	16,300	16,300
	(—)	(68,81,300)	(68,81,300)
Current Liabilities			
Sudarshan Chokhani & Co.	9,39,28,613	—	9,39,28,613
	(4,34,85,113)	(—)	(4,34,85,113)
Shriram Chokhani & Co.	73,53,928	—	73,53,928
	(15,11,158)	(—)	(15,11,158)
Chhaganlal Sheokarandas & Co.	5,13,34,627	—	5,13,34,627
	(—)	(—)	(—)
Shriram C. Chokhani	—	—	—
	(—)	(54,500)	(54,500)
Sudarshan S. Chokhani	—	—	—
	(—)	(28,500)	(28,500)
Deposits			
Sudarshan Chokhani & Co.	27,67,500	—	27,67,500
	(27,67,500)	(—)	(27,67,500)
Shriram Chokhani & Co.	39,600	—	39,600
	(39,600)	(—)	(39,600)
Counter Guarantees given to Bankers	—	8,79,51,211	8,79,51,211
	(—)	(9,46,61,261)	(9,46,61,261)

Note: 1. No amounts pertaining to related parties have been provided for as doubtful debts. Also, no amounts have been written off/written back during the year.

2. Previous Year's figures have been given in brackets.

10. Calculation of Earnings per share:

Particulars	2008-2009	2007-2008
Profit as per Profit & Loss Account (Rs.)	5,02,61,098	3,42,32,852
Equity Shares (Nos.)	44,17,818	44,17,818
Basic and diluted earnings per share (Rs.) (face value of Rs. 10 per share)	11.38	7.75

11. The break-up of net deferred tax assets is as under:

Particulars	2008-2009	2007-2008*
(a) Deferred Tax Assets		
Accumulated Business Losses	2,15,28,355	3,22,35,164
Accrued expenses deductible on cash basis	35,45,154	24,48,147
Total	2,50,73,509	3,46,83,310
(b) Deferred Tax Liabilities		
Difference between WDV of fixed assets as per the Income-Tax Act, 1961 and the Companies Act, 1956	1,84,45,035	2,73,18,558
Total	1,84,45,035	2,73,18,558
(c) Net Deferred Tax Assets (a-b)	66,28,474	73,64,752

* Not recognized in the Books of accounts

Note: In view of the Company making continuous profits and orders on hand, the management is confident of reversal of deferred tax assets of Rs. 66,28,474 recognized during the year.



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE - 20 (Contd.)

12. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

13. Loan & Advances include:

Loan where there is no interest or at interest rate below that Specified in the Companies Act, 1956	Amount Outstanding as on 31.03.2009 (Rs.)	Maximum Amount outstanding during the year (Rs.)	No. of Equity Shares held in the Company	Maximum No. of shares held in the Company
Employees (as per general rules of the Company)	12,91,657	16,23,375	—	—

14. (a) Dies (included in stores and spares inventories) of Rs. 6,86,38,388 (Previous year Rs. 6,22,79,980) have been valued by a government approved valuer considering their residual useful life and replacement value and relied upon by the Auditors being a technical matter.

(b) Stores and spares consumed during the year include value of Dies discarded Rs. 15,44,837 (Previous Year Rs. 17,68,917) on account of breakage or otherwise and net of related credit of Rs. 64,34,697 (Previous Year Rs. 8,41,500).

15. Disclosure as required by Accounting Standard 15 (Revised) on Employee Benefits:

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

Amount in Rs.

Description	Gratuity as on 31.03.2009	Gratuity as on 31.03.2008	Leave Encashment as on 31.03.2009	Leave Encashment as on 31.03.2008
A. Expense recognised in the statement of Profit and Loss Account for the year ended March 31, 2009				
– Current Service Cost	4,11,631	3,29,164	1,51,390	93,452
– Interest Cost	4,83,008	3,17,910	96,729	60,486
– Benefits paid	(1,75,987)	(1,19,095)	(1,10,469)	(63,904)
– Net actuarial (gain)/loss recognised during the year	11,90,128	15,35,752	9,45,360	3,62,998
Total Expense	79,46,381	60,37,601	22,92,122	12,09,112
Less: expenses recognized till 31/03/2008	60,37,601	39,73,870	12,09,112	7,56,080
Net expenses charged to Profit & Loss Account	20,84,767	20,63,731	11,93,479	4,53,032
B. Actual return on plan assets				
– Expected return of plan assets	—	—	—	—
– Actuarial (gain)/loss on plan assets	—	—	—	—
– Actual return of plan assets	—	—	—	—
C. Net Asset/(Liability) recognised in the Balance Sheet				
– Present value of obligation	—	—	—	—
– Fair value of plan assets	—	—	—	—
– Funded status (surplus/(deficit))	—	—	—	—
– Net Asset/(Liability) recognised in the Balance Sheet	—	—	—	—



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE – 20 (Contd.)

Amount in Rs.

Description	Gratuity as on 31.03.2009	Gratuity as on 31.03.2008	Leave Encashment as on 31.03.2009	Leave Encashment as on 31.03.2008
D. Change in Present value of Obligation during the year ended March 31, 2009				
– Present value of obligation as at April 1, 2008	60,37,601	39,73,870	12,09,112	7,56,080
– Current Service Cost	4,11,631	3,29,164	1,51,390	93,452
– Interest Cost	4,83,008	3,17,910	96,729	60,486
– Benefits paid	(1,75,987)	(1,19,095)	(1,10,469)	(63,904)
– Actuarial (gain)/loss on obligation	11,90,128	15,35,752	9,45,360	3,62,998
– Present value of obligation as at March 31, 2009	79,46,381	60,37,601	22,92,122	12,09,112
E. Change in Assets during the year ended March 31, 2009				
– Fair value of plan assets as at April 1, 2008	—	—	—	—
– Expected return on plan assets	—	—	—	—
– Contributions made	—	—	—	—
– Benefits paid	—	—	—	—
– Actuarial (gains)/loss on plan assets	—	—	—	—
– Fair value of plan assets as at March 31, 2009	—	—	—	—
F. Major categories of plan assets as a percentage of total plan	—	—	—	—
G. Actuarial Assumptions				
– Discount rate	8	8	8	8
– Expected rate of return on assets	—	—	—	—
– Mortality Rate	LIC (1994-96) Ultimate-	LIC (1994-96) Ultimate-	LIC (1994-96) Ultimate-	LIC (1994-96) Ultimate-
– Future salary increases considering inflation, seniority, promotion and other relevant factors	6	6	6	6
16. (a) The following expenses have been included in Dies Cost:				
Particulars			2008-09 (Rs.)	2007-08 (Rs.)
Salaries & Wages			33,44,961	22,67,908
Stores & Spare-parts consumed			9,04,410	7,96,177
Power			1,96,143	1,82,071
(b) Aggregate of the following expenses debit to Profit & Loss Account:				
Particulars			2008-09 (Rs.)	2007-08 (Rs.)
Salaries & Wages			2,78,02,611	2,14,51,155
Stores & Spare-parts consumed			23,40,685	92,28,453
Power & Fuel			4,99,80,917	4,13,69,510
17. Research & Development Expenses debited to:				
			2008-09 (Rs.)	2007-08 (Rs.)
Salaries and Wages			3,36,768	2,23,992



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULE – 20 (Contd.)

18. Payment to Auditors:

	2008-09 (Rs.)	2007-08 (Rs.)
(i) As Audit Fees	2,05,000	2,05,000
(ii) In other capacity		
For Tax Audit	30,000	12,000
For Taxation matters	40,000	23,000
For Management services	75,000	45,000
For certification work	1,39,500	1,10,000
(iii) Out of pocket expenses (including service tax)	13,130	13,680
	5,02,630	4,08,680

19. (a) Managing Directors' remuneration:

	2008-09 (Rs.)	2007-08 (Rs.)
Salaries and Allowances	10,26,000	9,12,000
Provisions for gratuity	49,327	49,327
Total	10,75,327	9,61,327

(b) M.D.s' remuneration is calculated in accordance with the provisions of Schedule XIII Part II read together with Section 269 (3) of the Companies Act, 1956 and is inclusive of all perquisites.

20. Additional information pursuant to clause 4(C) Part II of Schedule VI of the Companies Act, 1956.

(a) Quantitative information in respect of goods manufactured:

	Licensed (MT)*		Installed (MT)		Actual Production (MT)**	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Aluminium Extrusions	5,000	5,000	8,900	8,900	3,310.114	3,684.623
Aluminium Based Alloys	3,000	3,000	3,000	3,000	22.984	9.529
Sprinklers/Drip Systems	(Non Determinable)					
Metal Dies (Nos.)	(Non Determinable)					

Notes:

* (i) Delicensed.

** (ii) (a) Production excludes Aluminium Extrusions 496.531 MT (Previous year 555.843 MT) of job work done for third party.

(b) Production excludes 10.573 MT (Previous year 111.515 MT) of Aluminium pipes manufactured for captive consumption for making Aluminium Sprinkler Sets.

(iii) Installed capacity is as certified by the management and accepted by auditors, being a technical matter.

(b) Particulars in respect of Opening and Closing Stock of Finished Goods:

Particulars	2008-2009				2007-2008			
	Opening		Closing		Opening		Closing	
	Qty. (MT)	Amount (Rs.)	Qty. (MT)	Amount (Rs.)	Qty. (MT)	Amount (Rs.)	Qty. (MT)	Amount (Rs.)
Aluminium Extrusions	7.006	8,86,585	1.854	1,95,000	3.777	5,80,722	7.006	8,86,585

Closing Stock includes Aluminium Extrusions 1.425 MT (Previous Year 6.187 MT) rejected by the customers and lying with them at the end of year.



Balance Sheet, Profit and Loss Account and Schedules

SCHEDULE – 20 (Contd.)

(c) Particulars in respect of sales (net of excise duty):

	2008-2009		2007-2008	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Aluminium Extrusions	3315.266	56,84,81,508	3681.394	62,02,20,732
Aluminium Based Alloys	22.984	20,54,152	9.529	13,67,484
Conversion Charges (Job Work)	496.531	2,12,70,286	555.843	2,06,59,010
M.S.Steel – Trading	3191.587	10,05,56,977	—	—
Sprinkler Systems		54,27,577		3,74,89,067
Sale of Scrap		37,99,248		26,32,610
Total		70,15,89,748		68,23,68,903

(d) Raw Materials consumed during the year:

	2008-2009		2007-2008	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
Aluminum Ingots	1188.108	14,47,91,334	1817.446	21,96,12,569
Aluminum Billets	2208.738	26,84,67,644	1537.410	18,94,25,978
Aluminum Scrap	98.471	1,09,82,897	16.159	73,96,319
Others		71,28,741		7,92,79,379
Total		43,13,70,616		49,57,14,245

(e) Purchase for resale

	2008-2009		2007-2008	
	Qty. (MT)	Value (Rs.)	Qty. (MT)	Value (Rs.)
M.S.Steel	3191.587	9,98,12,026	—	—

(f) Value of stores and spare parts consumed:

	2008-2009		2007-2008	
	Amount (Rs.)	%	Amount (Rs.)	%
Imported	1,61,435	6.90	4,74,342	5.13
Indigenous	21,79,250	93.10	87,54,111	94.87
Total	23,40,685	100.00	92,28,453	100.00

(g) Value of Import on CIF Basis Components & Spare Parts

(h) Expenditure in Foreign Currency (On Cash basis)

(i) FOB Value of Exports

(i) In Foreign Currency

(ii) Rupee Payments – (Deemed Export)

	2008-2009 (Rs.)	2007-2008 (Rs.)
(g)	1,02,996	1,53,430
(h)	1,42,486	3,53,330
(i)	—	—
(ii)	4,37,34,452	90,50,541

21. Previous year's figures have been regrouped/rearranged/reclassified wherever necessary to conform to the current year's presentation.

Signature to Schedules 1-20

M. V. ASHAR
Chief Financial
Officer

K. G. INAMDAR
V. P. (Corporate Services)
& Company Secretary

SHRIRAM C. CHOKHANI
Managing Director

S. S. CHOKHANI
Jt. Managing
Director

MANOJ O. SHAH
Director

Place : Mumbai,

Dated : 30th April, 2009



Sudal Industries Limited

Annual Report 2008-2009

Balance Sheet, Profit and Loss Account and Schedules

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS (Contd.)

SCHEDULE - 20 (Contd.)

ADDITIONAL INFORMATION PURSUANT TO PART IV TO SCHEDULE VI TO THE COMPANIES ACT, 1956

Balance Sheet Abstract and Company's General Business Profile

(Rs. In Thousands)

I. Registration Details

Registration No.	21541 of 1979	State Code:	11
Balance Sheet Date	Date Month Year		
	31 03 2009		

II. Capital Raised during the Year

Public Issue	—	Rights Issue	—
Bonus Issue	—	Private Placement	—

III. Position of Mobilisation and Deployment of Funds

Sources of Funds	Total Liabilities	Total Assets
	2,04,240	2,04,240
	Paid-up Capital	Reserve & Surplus
	44,157	1,01,020
	Secured Loans	Unsecured Loans
	59,046	16
Application of Funds	Net Fixed Assets	Investments
	1,57,935	1
	Net Current Assets	Deferred Tax Assets
	39,675	6,628
	Accumulated Losses	—

IV. Performance of Company

Turnover	Total Expenditure
7,02,108	6,62,969
Profit Before Tax	Profit After Tax
39,570	50,261
Earning Per Share in Rs. 11.38	Dividend in % —

V. Generic Names of Three Principal Products/Services of Company

Item Code No. (ITC Code)	: 7604.00, 7609.00 & 7610.00
Product Description	: EXTRUSIONS
Item Code No. (ITC Code)	: 4009.50
Product Description	: DRIP IRRIGATION SYSTEM Drip Irrigation System with Fittings.
Item Code No. (ITC Code)	: 7609.00
Product Description	: ALUMINIUM SPRINKLERS Aluminium Based Sprinkler System with Fittings.

M. V. ASHAR
Chief Financial
Officer

K. G. INAMDAR
V. P. (Corporate Services)
& Company Secretary

SHRIRAM C. CHOKHANI
Managing Director

S. S. CHOKHANI
Jt. Managing
Director

MANOJ O. SHAH
Director

Place : Mumbai,
Dated : 30th April, 2009





SUDAL INDUSTRIES LIMITED

Registered Office: A-5, M.I.D.C. Ambad Industrial Area, Mumbai-Nashik Highway, Nashik 422 010.

ATTENDANCE SLIP

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 30th ANNUAL GENERAL MEETING of the Company at Hotel Sai Palace, (Ph. No. 23911501/502), Mumbai-Nashik Highway, Nashik at 3.30 p.m. on Saturday, the 18th July, 2009.

Full Name of the Member
(in block capitals)

Signature

Folio No./DPID: _____

Client ID/

No. of Shares held _____

Full Name of the Proxy
(in block capitals)

Signature

Only Member/Proxy attending the A.G.M., entitled to tender attendance slip at the Meeting Place, after entering the name in attendance register.

(TEAR HERE)

SUDAL INDUSTRIES LIMITED

Registered Office: A-5, M.I.D.C. Ambad Industrial Area, Mumbai-Nashik Highway, Nashik 422 010.

PROXY FORM

I/We _____

of _____ in the district of _____

being a member/members of the above named Company, hereby appoint _____

of _____ in the district of _____ or failing him _____

of _____ in the district of _____ as my/our proxy to vote for me/us

on my/our behalf at the _____ 30th Annual General Meeting _____ of the Company, to
general meeting (not being an annual general meeting)

be held on the 18th day of July, 2009 and at any adjournment thereof.

Signed this _____

Re. 1/-
REVENUE
STAMP

_____ day of _____ 2009

This form is to be used _____ *in favour of _____ the resolution. Unless otherwise instructed the proxy will act as he thinks fit.
*against _____

*Strike out whichever is not desired

- Note:
1. The Proxy need not be a member.
 2. The Proxy Form duly signed across revenue stamp of Re. 1/- should reach the Company's Registered Office at least 48 hours before the time of the meeting.



SUDAL INDUSTRIES LIMITED

Corporate Office: 26A Nariman Bhavan, 227 Nariman Point, Mumbai 400 021. (India)
Phone: 91-22-22023845, 67955800, 67955801

POSTAL BALLOT

NOTICE TO THE MEMBERS OF SUDAL INDUSTRIES LIMITED. PURSUANT TO SECTION 192A OF THE COMPANIES ACT, 1956

The Notice of the 30th Annual General Meeting of the Company to be held on 18th July, 2009 at the Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik-422010, inter-alia, contains the Special Resolution at Item No. 7 seeking the consent of the Members of the Company to amend, alter and add to the Objects Clause of the Company as set out in the Resolution and Explanatory Statement annexed thereto.

In accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, shareholders' assent or dissent to the aforesaid Special Resolutions under the Head Special Business is required to be determined through Postal Ballot.

For the convenience of the members of the Company, the resolution and Explanatory Statement thereto for the said item of business is set out below:

ITEM NO. 7

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, rail, road, steam or other ship, hover crafts, aeroplanes, automobile and other automotive vehicle owners, chatterers, 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.

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".

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

NOTES:

1. The relative Explanatory Statement pursuant to Section 173 and 192A of the Companies Act, 1956, is annexed hereto.
2. The Company has appointed Mr. Mayur R. Shah, Chartered Accountant as Scrutinizer for conducting the Postal Ballot voting process in a fair and transparent manner.
3. The Scrutinizer will be in a position for 35 days (excluding holidays) from the date of posting of this notice and will submit his final report to the Chairman/Board of Directors of the Company before the 30th Annual General Meeting of the Company.
4. The Scrutinizer will be available at the Corporate Office of the Company in Mumbai for the purpose of ascertaining the requisite majority and the Postal Ballot and all other papers and documents relating to Postal Ballot will be under his safe custody until the Chairman of the Company/Annual General Meeting considers, approves and signs the Minutes of the 30th Annual General Meeting.
5. The results of the Postal Ballot will be declared by the Chairman at the 30th Annual General Meeting convened on 18th July, 2009 and the date of passing of resolution will be the date of the 30th Annual General Meeting.
6. The detailed separate Notice convening the 30th Annual General Meeting of the Members to be held on 18th July, 2009, and containing Ordinary and Special Business to be transacted, including this to be transacted through Postal ballot, is sent along with the Annual Report for the year 2008-2009.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT,1956.

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 inquiries 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 other 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.

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 unto and including the date of the Annual General Meeting of the Company.

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



SUDAL INDUSTRIES LIMITED

Corporate Office: 26A Nariman Bhavan, 227 Nariman Point, Mumbai 400 021. (India)
Phone: 91-22-22023845, 67955800, 67955801

POSTAL BALLOT FORM

1. Name(s) of Shareholder(s)
(IN BLOCK LETTERS)
(including joint holders, if any) : _____

2. Registered address of the sole/
first named Shareholder : _____

3. Registered Folio No./
DP ID No. */Client ID No.*
(*Applicable to Investors
holding shares in
dematerialised form) : _____

4. No. of shares held : _____
5. I/we hereby exercise my/our vote in respect of the **SPECIAL RESOLUTION** to be passed through Postal Ballot as stated in the Notice dated 30-04-2009 of the Company by sending my/our Assent or Dissent to the said resolution by placing the tick (✓) mark at the appropriate box below.

Resolution at item No. 7	No. of Shares		Box
Special Resolution under Section 17 of the Companies Act, 1956 for giving permission to amend, alter and add to the Objects, Clause of the Company as set out in the Special Resolution.		I/We Assent to the Resolution	
		I/We Dissent to the Resolution	

Place :

Dated :

Signature of the Shareholder

Note: Please read carefully the instructions printed overleaf before exercising the vote.

INSTRUCTIONS

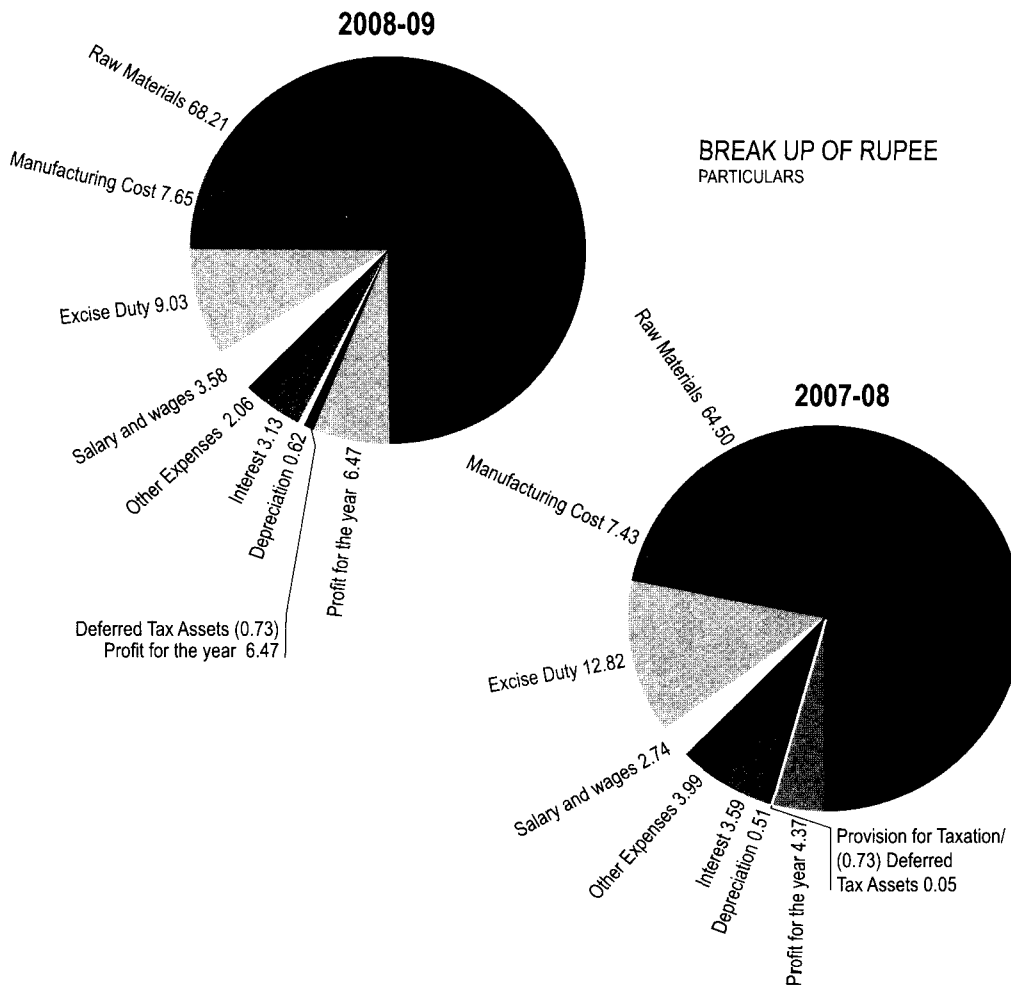
1. A member desiring to exercise vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if sent by Courier or by Registered Post or by hand delivery at the expense of the registered Shareholder will also be accepted.
2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder (as per the specimen signature registered with the Company). In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder.
4. Incomplete or unsigned Postal Ballot Forms will be rejected.
5. Duly completed Postal Ballot Form should reach the Company not later than the close of working hours on 6th July, 2009. Postal Ballot Forms received after this date will be strictly treated as if the reply from such member has not been received.
6. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders on the cut off date fixed for the purpose i.e. 30th April, 2009.
7. In case of shares held by bodies corporate or under Power of Attorney, Postal Ballot Form signed in the representative capacity must be accompanied by certified true copy of Resolution of Board of Directors/Power of Attorney, with specimen signature of Authorised Representative or Power of Attorney holder. If the same is/are already registered with the Company, please quote the Registration No. beneath the signature.
8. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed envelope in as much as such envelopes will be delivered to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.

FINANCIAL STATISTICS

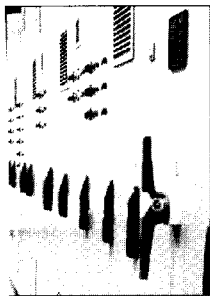
(Rupees in Lacs)

PARTICULARS	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
INCOME	4877.40	5167.61	7915.68	7829.78	7772.94
RAW MATERIALS	3134.79	3247.13*	5388.12	5049.83	5361.66
MANUFACTURING COST	397.11	464.41	591.26	561.77	594.40
EXCISE DUTY	645.20	682.89	1062.46	1003.96	701.83
SALARY & WAGES	146.27	147.52	174.31	214.51	278.03
OTHER EXPENSES	215.43	219.80	236.14	312.38	160.07
INTEREST	235.88	223.31	262.46	281.37	243.25
DEPRECIATION	23.09	28.71	36.38	39.86	47.96
PROVISION FOR TAXATION /DEFERRED TAX ASSETS	0	4.01	4.20	3.77	(56.87)
NET PROFIT	79.63	149.83	160.35	342.33	502.61

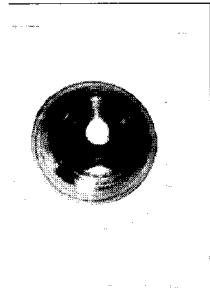
* NET OF WRITE BACK.



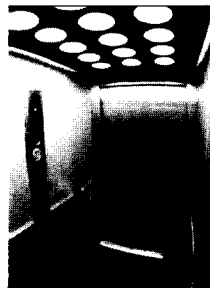
Some of the end uses



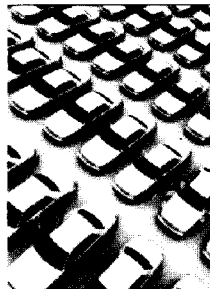
SWITCH GEARS



CONSUMER PRODUCTS



LIFTS AND ELEVATORS



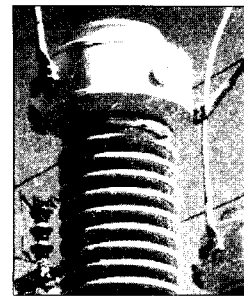
AUTOMOBILES



BUILDING SYSTEMS



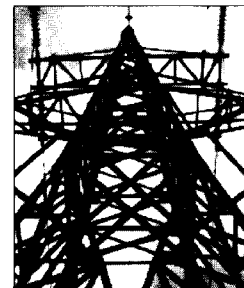
RAILWAYS



TRANSFORMERS



DEFENCE / PSUs



POWER TRANSMISSION



TEXTILES



OFFICE FURNITURE



ELECTRICAL / ELECTRONICS

SUDAL
INDUSTRIES LIMITED



26 A, Nariman Bhavan, 227,
Nariman Point, Mumbai - 400021