

Sudal

Industries Limited



Passion to deliver..



Inspiration Forever

**“Karmayogi” Shriramji Chokhani
1924 - 2010**

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Corporate Information

BOARD OF DIRECTORS	Shri Chaitan Maniar , <i>Chairman</i> Shri Sudarshan Chokhani , <i>Managing Director</i> Shri Shyantanu Chokhani , <i>Jt. Managing Director</i> Shri Deokinandan Ajitsaria Shri Manoj Shah Shri Dinesh Shah
COMPANY SECRETARY	Shri Kiran Inamdar <i>[Retired wef July 01, 2013]</i> <i>Company secretary & V.P.[Corporate Services]</i>
CORPORATE MANAGEMENT TEAM	Shri Mukesh Ashar , <i>Chief Financial Officer</i> Shri George Varghese , <i>G M [Operations]</i> Shri Vaibhav Chawak , <i>G M [Project]</i> Shri Shrikant Kulkarni , <i>Works Manager</i> Shri Rajendra Shah , <i>Chief Marketing Officer</i> Shri Kishore Dulla , <i>Commercial Manager</i>
REGISTERED OFFICE & PLANT	A-5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422 010 [Maharashtra] Tel No : 91-253-6636200 / 201 Email : nashik@sudal.co.in
STATUTORY AUDITORS	Lodha & Co. Chartered Accountants, Karim Chambers, 40, Ambalal Doshi Marg, Mumbai – 400 023
BANKERS	Syndicate Bank, Mumbai
SOLICITORS & ADVOCATES	India Law Alliance, F-8, Laxmi Mills, Shakti Mills Lane, Mumbai – 400 011
INVESTOR CONTACTS REGISTRAR & SHARE TRANSFER AGENT	Sharepro Services [India] Private Limited 13 AB, Samitha Warehousing Complex, 2nd Floor, Saki Naka Tel. exchange Road, Saki Naka, Andheri [East], Mumbai-400 072 Tel No : 91-22-67720300 / 67720400 Fax No : 91-22-28591568 Email : sharepro@shareproservices.com
CORPORATE OFFICE	26A, Nariman Bhavan, 227 Nariman Point, Mumbai – 400 021 Tel No : 91-22-61577100 / 177 Email : mumbai@sudal.co.in

Thirty Fourth Annual general Meeting is on	Saturday, September 28, 2013, at 3.00 p.m. at Hotel sai palace, Mumbai Nashik Highway, Cidco, Nashik 422010 Maharashtra
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Five Years Financial Highlights

₹. in Lacs except for Ratios

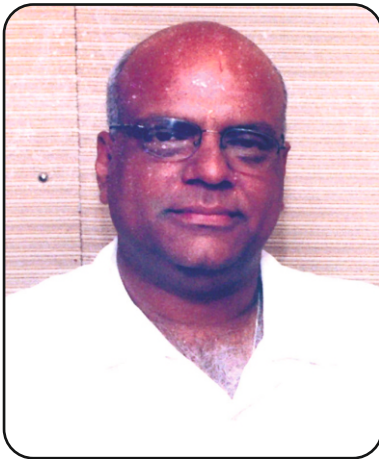
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Summary of Operations					
Total Income	7,021.08	7,013.66	11,010.83	11,319.86	9,890.16
Profit before tax	445.73	583.96	540.07	246.47	354.75
Profit after tax	502.61	229.67	349.83	194.56	195.79
Dividends [incl. Tax]	-	58.71	63.76	71.70	75.64
Year end Financial Position					
Fixed Assets : Gross [incl. WIP]	4,287.15	4,597.30	5,163.88	6,555.33	6,996.00
Net	1,579.35	1,768.23	2,169.71	3,331.10	3,546.11
Investments	0.01	0.01	0.01	0.05	0.05
Non-Current Assets	66.26	-	20.61	19.19	30.76
Current Assets	3,116.62	2,728.05	3,673.63	4,081.13	4,229.51
Total Assets : Net	4,762.26	4,496.29	5,863.96	7,431.47	7,806.43
Represented by					
Share Capital [FV - ₹ 10 per share]	441.57	501.78	546.78	581.78	650.78
Reserves [Incl. Revaluation Reserve]	932.42	946.93	941.55	1,061.24	1,268.84
Share Warrants	-	46.50	20.34	-	40.85
Profit & Loss Account	77.78	248.73	534.81	657.67	777.83
Net Worth	1,451.77	1,743.94	2,043.49	2,300.69	2,738.30
Non current Liabilities	590.62	1,305.17	779.38	1,178.30	1,235.09
Current Liabilities	2,719.87	1,447.18	3,041.09	3,952.48	3,833.04
Total Funds	4,762.26	4,496.29	5,863.96	7,431.47	7,806.43
Ratios					
Earning Per Share [₹]	11.38	5.13	6.96	3.38	3.34
Dividend Per Share [Rs]	-	1.00	1.00	1.00	*1.00
*Proposed					

≈ *Mission statement* ≈

To work together and achieve continuous improvement
which will result in the profitable growth and
financial strength of our Company

≈ *Vision statement* ≈

To make sudal one of the premier Aluminium Extruders and
preferred supplier of Quality Extrusions exceeding customer
expectations in respect of Quality, Customer service and
Competitiveness in India and abroad



Managing Director's Statement - 2012-13

Dear Shareholders,

I am glad to welcome you to the 34th Annual general meeting of your company. At the Outset I thank you for your continued trust, encouragement and support. This is the third AGM being held in the absence of our beloved founder chairman Shri Shriram Chokhani. I would affirm that your Company is committed to follow the ideals enshrined by him and he continues to guide us as a beacon of light in all our endeavors.

It gives me immense pleasure to address you after yet another year of successful expansion of our plant capacities. During 2012-13, the external environment were tough and challenges unprecedented but our resilience to pursue our vision with full gusto has resulted in satisfactory results for the year ended March 31, 2013.

COMPANY PERFORMANCE

I am sure that all of you are aware that the performance of Aluminum Extrusion industry is dependent upon the following key factors :

- Good Domestic Market
- Consistent Power Supply
- Reasonable power tariff

I am glad to inform you that your company has struggled to maintain its performance at nearly the same level of 2012 despite really tough business environment.

We have ridden the rough with resilience and in the meanwhile utilized this tough time to get prepared for the future. The latest trend is the pointer towards much better times to come. The high raw material price which was very disturbing is showing signs of easing off to our advantage.



RESULTS AND DIVIDEND

The Total income for the year ended March 31, 2013 is lower to ₹ 9890.16 Lacs as against ₹ 11319.86 Lacs of the previous year, but the PBT has increased to ₹ 354.75 Lacs as compared to ₹ 246.47 Lacs of the previous year. In the opinion of the Board the ill effects of economic slowdown continues globally and impeding government policy decisions, the Board deem it fit to maintain dividend to the level of earlier three years.

UPGRADATION AND EXPANSION

Identifying the need for upgrading the technology and modernization of plant operations, we have expanded our capacity and now have five plants in operation at Nashik. They all are state-of-the-art extrusion plants.

FUTURE OUTLOOK

While there are challenges ahead, I am confident in the company's ability to excel, guided by the leadership of our Board, the combined efforts of our management team and the support of our loyal shareholders. I look forward to 2013-14 as a challenging year with guarded optimism.

Moving forward, We will continue to leverage our established track record, commitment to quality and strong network of domestic customers to achieve greater value for our shareholders. Our vision is to expand our business volume where margins are comparable.

It was the firm belief of our beloved founder Chairman that growth must always walk hand in hand with responsibility. Your company is committed to conserve and protect the environment.

SAFETY AND POLLUTION ABATEMENT

Since the establishment of Sudal in 1979 your company has sustained its operations with utmost safety, commitment to preserve the environment, conserve water and save energy.

As a part of green environment initiative, your company has embarked on a corporate sustainability plan by venturing into energy audit.

ACKNOWLEDGMENTS

I acknowledge the dedicated work put in by all the sudalities, at all level for their whole hearted efforts and support.

On this occasion, Sudal pledge to continue on the path and ideals set by our beloved founder and chairman and achieve all his cherished dreams and steer the company to greater heights with many more achievements and laurels in the years to come.

Notice

The **Thirty Fourth Annual General Meeting** of the members of the Company will be held on **Saturday, September 28, 2013** at **3.00 P.M.** at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik-422 010, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2013 and Balance Sheet as at that date and the Report of the Directors and the Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Chaitan M. Maniar, who retires by rotation and is eligible, for re-appointment.
4. To appoint a Director in place of Shri Manoj O. Shah, who retires by rotation and is eligible for re-appointment.
5. To appoint the Auditors and to fix their remuneration. In this connection, to consider and, if thought fit to pass the following Resolution as **Ordinary Resolution** :

"RESOLVED THAT M/s Lodha & Co., Chartered Accountants, [Firm Registration No. 301051E] registered with ICAI, retiring Auditors be and are hereby appointed as independent Auditors of the Company to hold office from the conclusion of the Thirty Fourth Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors, in addition to remuneration to service tax and all out of pocket expenses in connection with Audit of the accounts of the Company for the financial year 2013-14."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198[4], 269, 309 and 310, and other applicable provisions, if any, of the Companies Act, 1956 ["the Act" as amended or re-enacted from time to time] read with the provisions of Schedule XIII to the Act and in terms of the Articles of Association of the Company and as per the recommendation of the Remuneration Committee, approval of the shareholders of the Company be and is hereby accorded to re-appointment of Mr. Shyantanu S. Chokhani as Joint Managing Director of the Company for a period of three years from November 01, 2013 to October 31, 2016 on the terms and conditions as determined by the Board of Directors of the Company with liberty to the Board of Directors to alter and vary the Terms and Conditions of the said appointment and payment of remuneration to Mr. Shyantanu S. Chokhani, Joint Managing Director of the Company from time to time in such manner as may be agreed to between the Board of Directors and the said Mr. Shyantanu S. Chokhani.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year during the currency of tenure of Mr. Shyantanu S. Chokhani, Joint Managing Director of the Company, he shall be paid remuneration at the same substantive level as specified in the Explanatory Statement attached hereto and that such remuneration shall be treated as the Minimum Remuneration payable to him in accordance with Part II of Section II of Schedule XIII to the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto."

Registered Office

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

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

Place : **Mumbai**

Date : **May 30, 2013**

Kiran Inamdar
Company Secretary

**NOTES :**

- [a] The relative Explanatory Statement pursuant to Section 173 [2] of the Companies Act, 1956, in respect of the business under Item No. 6 set out above and the relevant details in respect of Item No. 3 and 4 as set out above, pursuant to Clause 49 of the Listing Agreement with BSE Limited, are annexed hereto.
- [b] **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT OF PROXY DULY COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- [c] Annual Report will not be distributed at the Annual General Meeting in view of high cost of paper and printing. Members/Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Meeting along with the Annual Report.
- [d] The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, September 17, 2013 to Saturday, September 28, 2013 [both days inclusive].
- [e] Dividend on shares as recommended by the Board of Directors if approved at the Annual General Meeting, will be paid within 30 days thereof to those Shareholders whose names are on the Company's Register of Members on or before the close of business hours on September 28, 2013 or to their mandates. The dividend in respect of shares held in electronic form would be payable to the beneficial owners of the shares as at the end of business hours on Monday September 16, 2013, as per details furnished by the Depositories for this purpose.
- [f] Members are requested to notify any change in their address:
- [i] to their depository participants [DPs] in respect of shares held in Demat form; and
 - [ii] to the Registrar and Transfer Agent of the Company, Sharepro Services [India] Private Limited, 13 AB, Samitha Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Road, Saki Naka, Andheri [East], Mumbai - 400 072, in respect of shares held in physical form, quoting their folio numbers.
- As members are aware, equity shares of the Company are traded in electronic form for all shareholders. Members who still hold share in physical form may dematerialize the same. ISIN allotted to the Company for this purpose is INE618D01015
- As per SEBI Circular No. MRD / DOP / Cir – 05 / 2009 dated May 20, 2009, it is mandatory to quote PAN No. for transfer of shares in physical form. Therefore the transferee[s] is required to submit the self attested PAN CARD copy to the Registrar and Share Transfer Agent of the Company for registration of transfer of shares.
- [g] Members desirous of availing the facility of nomination in respect of shares held by them may send their nomination in the prescribed Form No. 2B duly filled in, to the Company's Registrar and Share Transfer Agent, quoting their respective folio number/s, and giving details of share certificate number/s and distinctive number of shares. The prescribed form is given on last page of this report.
- [h] Members are requested to send their queries at least 8 days prior to the date of the Meeting to the Company at Registered office to facilitate clarifications during the Meeting.

Registered Office

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

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

Place : Mumbai

Date : May 30, 2013

Kiran Inamdar
Company Secretary

Annexure to Notice

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

Item No. 6

The present tenure as Joint Managing Director of Shri Shyantanu S. Chokhani, expires on October 31, 2013.

The Company is manufacturer of Aluminum Extrusions and its Alloys is in operation for last Thirty Three years. The operational performance of the Company for the last five years has been good. The growth momentum is gathering pace. The Company's Domestic Sales realization is relatively better than the export pricing though the pursuit of exports is being explored by the Company. The Company at present does not have any Foreign Collaboration.

Mr. Shyantanu S. Chokhani's appointment as Joint Managing Director of the Company shall be for a period of three years with effect from November 01, 2013 on the terms and conditions mentioned herein.

Shri Shyantanu S. Chokhani has completed his school education from Cathedral & John Cannon School, Mumbai [Maharashtra] and Higher Secondary from The International School-Bangaluru [Karnataka]. He has completed his Graduation in Management Studies [Bachelor of Business Administration] from Nottingham University, U.K. He has also completed Master of Science in Marketing and Strategy from University of Warwick U.K. He has exposure to and knowledge of global industrial and business management practice and now his re-appointment as Joint Managing Director would be more appropriate and conducive in present global scenario to accelerate the business operations and assist the Board in framing of and taking policy decisions for the company in its present and future vision.

The Company would benefit from the active association of Shri Shyantanu S Chokhani as the Joint Managing Director to further drive the Company more successfully under his able leadership and the guidance to achieve further strong position in the Industry.

He would perform his duties and exercise powers granted to him to efficiently manage the affairs of the Company under guidance, supervision and control of the Board of Directors of the Company.

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

Considering the likely role to be played by him in the Company's ongoing and future endeavors, and having regard to the above and keeping in mind the comparable level of remuneration in the industry, the Board of Directors have thought it prudent and desirable to appoint Shri Shyantanu S Chokhani as Joint Managing Director for a period of three years on terms and conditions in accordance with the recommendation of the Remuneration Committee in terms of provisions of Schedule XIII of the Companies Act, 1956.

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

Name	Mr. Shyantanu S. Chokhani, Joint Managing Director
Period	November 01, 2013 to October 31, 2016
Salary	Upto Rs. 250,000 per month
Commission	Such amount which together with the annual salary and perquisites, will not exceed 5% of the Net Profit as computed under Section 198/349 of the Companies Act at the end of each financial year during the tenure of the Joint Managing Director.

Other Perquisites

- [a] Gratuity payable in accordance with the rules of the Company or as per the Gratuity Act amended from time to time, and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites.
- [b] Free use of the Company's car for business and free telephone facility at residence are not considered as perquisites. No personal long distance calls on telephone calls are allowed.



[c] Reimbursement of all entertainment and traveling and out of pocket expenses actually and properly incurred for the business purpose of the Company.

Other Terms

- [1] The Joint Managing Director shall not be entitled to receive the Director's Sitting fees for attending the meetings of the Board of Directors or any committee thereof as appointed by the Board or under any statute.
- [2] If at any time, the Joint Managing Director cease to be a Director of the Company due to any reason or cause, he shall cease to be the Joint Managing Director in terms of the agreement.
- [3] The pecuniary relationship of the Joint Managing Director is to the extent of the transactions being carried out with the related parties in the ordinary course of Business.
- [4] The agreement to be entered into may be terminated by either party by giving to the other party three months notice of such termination.

Memorandum Of Interest.

Shri Shyantanu S. Chokhani is interested in his contract.

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

None of the other Directors is concerned or interested in the appointment and payment of remuneration to Shri Shyantanu S. Chokhani.

Registered Office

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

Place : Mumbai

Date : May 30, 2013

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

Kiran Inamdar
Company Secretary

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

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

Name of the Director	Shri Chaitan M Maniar	Shri Manoj O. Shah
Date of Birth	December 04, 1935	August 29, 1962
Date of appointment	August 20, 1998	September 24, 2005
Director Identification Number	0034121	00453634
Qualification	B.Com, L.L.B, M.A[Economics & Politics]	B.Com., FCA
Expertise in specific Functional Areas	Solicitor & Advocate	Practicing Chartered Accountant
Directorship held in other public companies	<ol style="list-style-type: none"> 1. Foods and Inns Limited 2. Financial Technologies India Limited 3. Godfrey Phillips India Limited 4. Gujarat Ambuja Exports Limited 5. Hindalco Industries Limited 6. Indo-Euro Investments Co. Limited 7. Indian Card Clothing Co Limited 8. MCX Limited 9. Northpoint Training and research P Ltd 10. Pioneer Investcorp Limited 11. TCPL Packaging Limited 12. Utkal Alumina International Limited 13. Varun Shipping Company Limited 14. Vadilal Industries Limited 	Nil
Chairmanship / Membership of Committees across other public companies, if any.	<p>Member of the Audit Committee</p> <ol style="list-style-type: none"> 1. Hindalco Industries Limited 2. MCX Limited 3. Pioneer Investcorp Limited 4. TCPL Packaging Limited 5. Varun Shipping Company Limited <p>Member of the Shareholders/Investors Grievance Committee and Share Transfer Committee</p> <ol style="list-style-type: none"> 1. Godfrey Phillips India Limited 2. Hindalco Industries Limited 3. Pioneer Investcorp Limited 	Nil
Relationship between Directors inter-se	Not Related to any director of the Company	Not Related to any director of the Company
Number of Equity Shares of ₹ 10 each held	Nil	Nil

Registered Office

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

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

Place : Mumbai**Date : May 30, 2013**

Kiran Inamdar
Company Secretary



Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the **Thirty Fourth Annual Report** on the business and operations together with the Audited Statement of Accounts of the Company for the year ended March 31, 2013.

I FINANCIAL RESULTS

[₹ in Lacs]

[For the year ended March 31]

Particulars	2013	2012
Total Income	9890.16	11319.86
Earnings before interest, depreciation and tax	915.41	852.94
Interest and Finance Charges	399.99	441.42
Depreciation	160.67	165.05
Profit Before Taxation	354.75	246.47
Provision for Current Tax	5.00	[13.76]
Provision for Deferred Tax	153.96	65.67
Profit After Tax	195.79	194.56
Surplus brought forward from previous year	657.67	534.81
Profit available for appropriation	853.46	729.37
APPROPRIATIONS		
Proposed Dividend on Equity shares	65.08	61.68
Tax on Proposed Dividend	10.56	10.02
Surplus Carried forward to next year.	777.82	657.67
Total	853.46	729.37

OPERATIONS AND RESULTS

The continued depressed global economic scenario had adverse impact over domestic manufacturing sectors and on the other hand the inflationary trend continues to have a grip over all input costs.

In the scarce & regulated money market as also new tendency of free use of supplier's money in the industry by delaying the payments, the interest burden has been equally imposing on the operational performance and has curtailed the operational efficiency due to prohibitive credit facilities and high interest rates.

The company recorded net sales of ₹ 9881.41 Lacs for the year ended March 31, 2013 as compared to net sales of ₹ 11318.62 Lacs in the previous year. Despite increase in cost of production, with astute discipline, strict monitoring, cost control and timely steps undertaken the EBIDT for the year was ₹ 915.41 Lacs compared to the EBIDT of ₹ 852.94 Lacs in the previous year. The pre-tax profit is more by ₹ 108.28 lacs, at ₹ 354.75 Lacs compared to that of previous year ₹ 246.47 Lacs. The profit after tax is ₹ 195.79 Lacs as compared to ₹ 194.56 Lacs in previous year.

These results have been achieved with the help of 3 'P' – perception, planning and people and is the result of sheer business reflexology, balancing at every level and willing involvement of one and all Sudalites.

Sudal's main business is to manufacture aluminum extrusions in different alloys for varied user industries. Your Company has "passion to deliver" for which it has undertaken constant drive to keep its pace to enlarge the market base and share in this particular business.

II. DIVIDEND

The Board of Directors are pleased to recommend a dividend of Re. 1.00 per equity share of ₹ 10 each [10%] for the year ended March 31, 2013. The dividend payment on equity shares will amount to ₹ 75.64 Lacs inclusive of tax on dividend of ₹ 10.56 Lacs which will be borne by the Company. The dividend would be tax-free in the hands of the shareholders.

III. APPROPRIATION

An amount of ₹ 777.82 Lacs is proposed to be retained in the Profit and Loss Account.

IV BUSINESS REVIEW

All The Extrusion presses are now in operation. The benefit of capex incurred for capacity enhancement shall have positive impact on the company's operations in coming year/s, subject to exceptional circumstances beyond the control of the management.

V CAPACITY EXPANSION

As informed earlier, the company has already increased its manufacturing capacities and overall allied equipments.

VI LISTING OF SHARES

The Company's Shares are listed on BSE, Mumbai. The listing fees for the financial year 2013-2014 have been duly paid.

VII PUBLIC DEPOSITS

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

VIII ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

IX MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

X CORPORATE GOVERNANCE

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

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

XI PARTICULARS OF EMPLOYEES

Information prescribed under Section 217 [2A] of the Companies Act, 1956 read with Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1968, is annexed as Point 4 of **Annexure-IV** forming part of this Annual Report.

XII DIRECTORS' RESPONSIBILITY STATEMENT

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

- [1] In the preparation of the annual accounts, the applicable accounting standards have been followed with explanatory notes relating to material departures;
- [2] Appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and the Profit and Loss Account of the Company for the year ended March 31, 2013 and cash flow as on that date;
- [3] Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- [4] The annual accounts have been prepared on a going concern basis.

**XIII DIRECTORATE**

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

Members approval is being sought for the re-appointment of Shri Shyantanu S. Chokhani as the Joint Managing Director of the company on the terms of appointment set out in explanatory statement annexed to the notice of the meeting.

XIV AUDITORS

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

XV COST AUDIT

Pursuant to the provisions of section 233B of the Companies Act, 1956 and on recommendation of the Audit Committee, Shri Hemant V. Shah, cost accountant, has been appointed as Cost Auditor of the Company to Conduct audit of the cost records maintained by the Company.

XVI ACKNOWLEDGEMENTS

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

For and behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2013

Chaitan M. Maniar
Chairman

Annexure-1: to Directors' Report

Information under section 217 [1] [e] of the Companies Act, 1956 read with the Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2013.

Annexure –A

A Measures taken to Conserve Energy

A]	Installed 1 nos 300 HP VFD To 250 HP First pump motor. At Extrusion press V	To reduce Electrical Energy consumption
B]	Replaced 100W sodium vapour lamp with 20W LED lamp. Qty 08 nos	To reduce Energy consumption/ for better light intensity. Saving of 80 W / lamp.
C]	Replaced 7.5 HP Press II slat conveyor with 2 HP roller table assemblies	To reduce energy consumption / Reduce scratch/ damage of material.
D]	Installed Air controlled valve at Billet Heating furnace I and Get result in 2-5 kg LPG Saving per TON	To reduce LPG consumption To increase Heat output
E]	Automation of billet heater - III temperature controlling system by plc	To reduce LPG consumption
F]	Replaced multi burner system by single burner system. For Plant IV Billet heating furnace	To reduce LPG consumption
G]	Replaced furnace oil by light Heavy mixed Chemical oil	To reduce Furnace
H]	Stop 10 hp & 40 Hp pump motor. By driving both respective pump on main pump motor shaft [double shaft motor].	To reduce electricity

B Additional Investment Proposed

A]	Installation of air control valve at air line of billet heating furnace III & V.	To reduce LPG
B]	Installation of 1 nos 300 HP VFD To 200 HP Second pump motor. At Extrusion press V	To reduce LPG consumption
C]	Press v stretcher power pack to replace with 30 HP motor.	To reduce electricity
D]	Stop Press V 15 hp seal pump motor and drive seal pump on 200 hp motor second end shaft	To reduce electricity
E]	Modification in press III main pump so as to save ideal time energy	To reduce electricity consumption
F]	To Replace old design fixed tap Transformer to New Transformer with on load tap changer.	To reduce electricity

Impact of A and B above :-

Will reduce maximum demand, electricity consumption, and furnace oil consumption, LPG 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.

Sr. No	Particulars		Current Year 2012-13	Previous Year 2011-12
A	Power and Fuel Consumption			
1.	Electricity			
	A] Purchased	[Units] [Total Amount ₹] [Average rate/Unit- ₹]	47,54,020 3,88,64,748 8.18	47,15,923 3,03,74,734 6.44
	B] Own Generation			
	[i] Through Diesel Generator	[Units] Units/litres of Diesel Oil [cost/Unit- ₹]	-- -- --	-- -- --
	[ii] Through Gas	[Units- Kgs] [Total Amount ₹] [Average rate/Unit- ₹]	-- -- --	-- -- --
2.	Gas	Purchased units [Kgs] [Total Amount ₹] Cost Per Kg.	4,80,340 2,91,49,137 60.68	5,44,476 2,75,33,896 50.57
3.	Coal [Specify Quantity & where used]	[Qty -Tons] [Total Cost- ₹] [Average rate/Ton- ₹]	-- -- --	-- -- --
4.	Furnace Oil	[Quantity-Litres] [Total Amount- ₹] [Average rate/Litre- ₹]	7,27,850 2,81,56,000 38.68	7,40,845 2,79,77,932 37.76
5.	Other [Internal Generation]	[Quantity] [Total Cost] [Average cost/Unit- ₹]	-- -- --	-- -- --
B	Consumption per ton of production			
-	Electricity	[Units]	835.38	737.70
-	Furnace Oil			
	Aluminium Billets [For Casting]	[Litres]	96.12	93.54
	Alloy		--	--
	Coal		--	--
	Others [Specify]		--	--

[B] TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1]	Effort in brief made towards absorption adaptation and innovation	Installation and commissioning of fixed volume. hydraulic pump with variable frequency drive to elect motor. This is totally in house developed.
2]	Benefit derived as a result of the above effort i.e. product improvement saving cost reduction, product development, import substitution etc	Imported Servo valve is eliminated & the costly variable volume pump is removed, energy by putting VFD. This leads to import substitute, cost reduction, energy saving
3]	In case of imported technology [imported during the last 5 year reckoned from the beginning of the financial year] following information to be furnished [a] Technology imported [b] Year of import [c] Has technology been fully absorbed [d] If not fully absorbed areas where reason therefore and future plan of action.	No technology is imported -- -- --

FORM FOR DISCLOSURE IF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION OF RESEARCH AND DEVELOPMENT

I]	Specific area in which R & D carried out by the Company	<ol style="list-style-type: none"> 1. Modification in round tube die plate design 2. Installation of Bottom pump at press V 3. Modification in press III run out 4. Modification of press III water quench tank 5. Common Die supporting tool developed for press I & press III 						
II]	Benefit derived as a result of Research & Development	<ol style="list-style-type: none"> 1. Improve Profile flow 2. Increase input rate. 3. Minimize rejection percentage. 4. Reduce machine breakdown, reduce rejection and improve recovery. 5. Reduce Energy consumption 6. Reduce die steel , Hardening cost , machining cost and improve production. 						
III]	Future plan of action.	<ol style="list-style-type: none"> 1. Installation of air control valve at air line of billet heating furnace III & V 2. Installed 1 nos 300 HP VFD To 200 HP Second pump motor. At Extrusion press V 						
IV]	Expenditure in Research and Development	<p style="text-align: right;">[₹ in Lacs]</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Capital</td> <td style="text-align: right;">--</td> </tr> <tr> <td>Recurring</td> <td style="text-align: right;"><u>17.90</u></td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right;"><u>17.90</u></td> </tr> </table> <p>Total Research and Development expenditure as a percentage of turnover 0.18% [Approx.].</p>	Capital	--	Recurring	<u>17.90</u>	Total	<u>17.90</u>
Capital	--							
Recurring	<u>17.90</u>							
Total	<u>17.90</u>							

[C] 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 March 31, 2013.

For and behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2013

Chaitan M. Maniar
Chairman



Annexure-II to the Directors' Report

Management Discussion and Analysis

We submit herewith the Management Discussion and Analysis Report on the Company's business for the year ended March 31, 2013. We have included discussion on all specified matters to the extent relevant, or within limits that in our opinion are imposed by the Company's competitive position.

1 INDUSTRY STRUCTURE

In 2012-2013 the world economy could not recover to sustained spill over financial crises. Even if the worse appears to be over, the business climate during the year was plunging under inflation threat, stiff interest rates, nagging fuel & other input costs and therefore much uncertainty remained about the recovery's nature and pace due to emerging unknown behavioral pattern and economic effects. The entire domestic economic scenario has made business more challenging in terms of precise forecast and planning, timely execution and driving down the manufacturing costs.

During the year under review the Indian economy recorded a lower growth rate. However, to revive and stimulate the business growth Government has been taking progressive steps.

2 COMPANY OVERVIEW

The year 2012-13 has been a testing year to keep pace with sustaining growth under erratic & volatile raw material pricing policy of primary producers, competitive impediment in gaining locational advantage over selling prices and under sluggish business activities, particularly, to those industries where your company is catering to. The global situation has severely impacted domestic environment and sentiment where input costs are spiraling to further squeeze the narrower margins.

3 OPPORTUNITIES

Your Company's constant efforts of gradual consolidation in varied user industries is facing challenges of global adversity, delayed projects of user sector industries. We are realigning our marketing efforts to match with changes in pattern of user industry, particularly to suit your Company and mapping the role for further growth that your Company intends to play. We have been vigilant to use this hard time to retrospect, to concentrate and to strengthen our competitive advantage. All out efforts were made/are being made to enhance capabilities and efficiencies. Extensive growth plans are afoot to benefit from the expected emerging demand patterns in the industry.

The per capita consumption of aluminum in India is gradually increasing in power, electrical, transportation, packaging, consumer durables, construction, building systems, defense, PSU's, railways, switch-gears, automobiles, infrastructure industry. Fresh applications by the potential new users are being explored.

Looking ahead Sudal will remain steadfast in its pursuit of business growth. To meet the increasing demand of the user industry and new users, capacities have been increased commensurately. Your Company continues to enjoy increasing confidence from its valued customers spread across various industries for providing quality products with efficient delivery logistics in place.

4 THREATS, RISKS AND CONCERNS

The Companies products are primarily sold in the domestic market. The increase in raw material prices, competition from established and emerging players, foreign exchange fluctuations and increase in other input costs are major areas of risks and concerns. Your Company is aware about business risks and risk management and accordingly from time to time takes effective steps to mitigate/minimize its impact and ensure continuity and business development in line with the mission and vision of the Company.

The Company has adequate insurance coverage of all its assets. The compliance of safety norms and requirements as prescribed by different government agencies are duly fulfilled.

5 OUTLOOK

With the visible revival of the Indian economy from the 2nd half of 2013, We are optimistic that Sudal is well positioned as a beneficiary of its expanded capacity and strong pipeline of extrusions. The immediate plan for 2013-2014 is to utilize expanded capacity to the maximum, to effectively manage resources, to optimize cost and to secure a significant share of the domestic market. With expansion being streamlined and blue prints being made for further growth the Company is hopeful of better performance in future.

6 INTERNAL CONTROL AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. In addition to its own audit department, to have better effective control over the accounting systems and check over day to day operations of the Company internal auditors are also appointed. Significant audit observations and follow up actions thereon are reported to the Audit Committee, which reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and system.

7 DIVERSIFICATION & NEW VALUE ADDED PRODUCT

The company is in constant drive to develop extruded sections for sophisticated end uses. The down-stream activity is also on constant follow up.

8 TOTAL QUALITY MANAGEMENT

The Company is recertified for **Management System ISO 9001** and **ISO/TS 16949 : 2009**.

It has also received certificates from T.U.V. NORD INDIA LTD, for **I.S.O.14001-2004 STANDARD [ENVIRONMENTAL MANAGEMENT SYSTEM]** and **I.S.O. 18001-2007 STANDARD [OHASAS-OCCUPATIONAL HAZARDS SAFETY ASSESSMENT SERIES SYSTEM]** and **EnMS 50001:2011** for Quality Systems.

9 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. Its certification is under process. The company is recertified for **SA 8000 : 2008 for social responsibility**.

10 HUMAN RESOURCES AND INDUSTRIAL RELATIONS

During the year, Your Company has focused efforts to enhancing capabilities of employees, particularly in view of expanding capacities. Technical and Safety training programmes were held periodically to enhance workers knowledge and application skills. Industrial Relations continued to remain cordial and harmonious during the year.

11 SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Your Company's business activity falls within a single primary business segment viz. Aluminum extrusions. As such there are no separate reportable segments as per Accounting Standard – 17 [AS -17] issued by the Institute of Chartered Accountants of India.

12 CORPORATE SOCIAL RESPONSIBILITY

Your Company believes that growth has not only to be profitable and competitive, but also sustainable in a socially relevant way. Your company undertook a wide range of activities to provide relief to local communities residing nearby the factory. During the year your Company has continued to undertake the following CSR initiatives at Nashik

[a] Managing "Sudal Welfare Center" for which a Doctor has been appointed and on daily basis 40 to 50 poor and needy people from the Society are checked free of charge/ cost with medicines .



- [b] One drinking water connection of MIDC has been provided by your company for needy and poor people, who are residing in the vicinity of our Plant.
- [c] Your Company is also associated with The National Association for the Blind [NAB] Nashik and we provide relief to blind people by giving them our job work, etc.
- [d] Every year your Company arranges Blood Donation Camp in Sudal Industries Limited Premises for Social causes in association with M/s Arpan Blood Bank, Nashik.
- [e] Every year your Company has arranging a programme and awarding & celebrating to the children's of employees those who are passed S.S.C. std.
- [f] Every year your company welcomes to Sai Yatri [People] on the Sudal Gate with Snacks, Tea & Coffee .
- [g] Every year your company arranging Ganesh utsav and celebrating with employee & other people.
- [h] Every year your company is undertaking Tree plantation in company premises.

13 SAP

The SAP system, introduced in previous year is expected to be fully implemented in the current year. The system would help in strengthening the MIS and the internal control procedures.

For and behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2013

Chaitan M. Maniar
Chairman

Annexure–III to the Directors' Report

Corporate Governance Report

1 COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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 guide-lines.

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.

2 BOARD OF DIRECTORS

1. COMPOSITION

The Board of Directors comprises of:-

- One Managing Director [Promoter group]
- One Joint Managing Director [Promoter group]
- One Director - Independent - Related
- Three Non-Executive Directors - Independent

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under:

Name of the Director	Nature of Directorship	No. of Directorships in other public limited companies	Memberships of other Committee[s]		No. of Board Meetings attended	Last AGM Attended [Yes/No]
			Chairman	Member		
Shri Sudarshan S. Chokhani	Managing Director [Promoter group]	--	01	02	04	Yes
Shri Shyantanu S. Chokhani	Jt. Managing Director Related [Promoter group]	--	--	--	04	Yes
Shri Deokinandan Ajitsaria	Non Executive – Related – Independent	--	--	02	00	No
Shri Chaitan M. Maniar	Chairman – Non Executive – Independent	13	--	08	06	No
Shri Manoj O. Shah	Non Executive – Independent	--	01	02	06	Yes
Shri Dinesh C. Shah	Non Executive – Independent	--	--	03	06	Yes

2. MEETINGS OF THE BOARD OF DIRECTORS

During the year 2012-2013, the Board met Six times on :

- | | |
|----------------------|----------------------|
| 1] May 31, 2012 | 4] December 31, 2012 |
| 2] August 14, 2012 | 5] February 14, 2013 |
| 3] November 12, 2012 | 6] March 06, 2013 |

At least one Board Meeting was held during every quarter. The maximum time gap between two Board Meetings was less than four months.



3 THE BOARD COMMITTEES

I. AUDIT COMMITTEE

Terms of Reference :

The terms of reference of this Committee cover the matters specified under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. In brief, these are:

To oversee the Company's financial reporting process and disclosure of its financial information; to recommend the appointment of Statutory Auditors and Internal Auditors; to review and discuss with the Auditors all aspects of internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal control system, major accounting policies, practices and entries; compliance with Accounting Standards and Listing agreement with the Stock Exchange and other legal and regulatory requirements concerning financial statements; to review the reports of the Company's Internal Auditors and to discuss with them any significant findings for follow-up action thereon; to review the financial statements audited by the Statutory Auditors as also to review financial and risk management policies and practices.

Composition and Attendance of Audit Committee

During the year the Committee met 4 times on 1] May 31, 2012 ; 2] August 14, 2012; 3] November 12 ,2012 4] February 14, 2013

Name of the Director	Category	No. of Meetings attended
Shri Manoj O. Shah	Independent – N E D [Chairman]	4
Shri Sudarshan S. Chokhani	Managing Director – [Member]	3
Shri Deokinandan Ajitsaria	Independent – N E D Related – [Member]	--
Shri Dinesh C. Shah	Independent – N E D [Member]	4

N E D : Non Executive Director

The necessary quorum was present at the meetings.

- All members of the Board Audit Committee are financially literate and have relevant finance and /or audit exposure.
- At least One Audit Committee Meeting was held every quarter.
- The Company Secretary acts as the Secretary of the Audit Committee.
- The CFO acts as the coordinator of the Committee.

The Chairman of the Audit Committee Shri Manoj O. Shah was present at 33rd Annual General Meeting held on September 29, 2012.

II. REMUNERATION COMMITTEE

Terms of reference :

- [1] Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Staff.
- [2] Reviewing the performance of the Managing Director[s] and recommending to the Board the quantum of annual increments and annual commission.

Composition and Attendance of Remuneration Committee

During the year 2012-2013, the Committee met once on May 31, 2012.

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under :

Name of the Director	Category	No. of Meetings attended
Shri Manoj O. Shah	Independent – N E D [Chairman]	1
Shri Sudarshan S. Chokhani	Managing Director – [Member]	1
Shri Deokinandan Ajitsaria	Independent – N E D Related – [Member]	-
Shri Dinesh C. Shah	Independent – N E D [Member]	1

N E D : Non Executive Director

The Company Secretary acts as the Secretary of the Remuneration Committee.

III. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE**Terms of Reference :**

To specifically look into complaints relating to transfer of shares, non-receipt of annual report, dividend warrants, etc. received from investors, redress them and to improve the efficiency in investors service, wherever possible.

Composition of the committee

The Committee comprises of Three Directors, namely,

Name of the Director	Category
Shri Sudarshan S. Chokhani	Managing Director – [Chairman]
Shri Manoj O. Shah	Independent – N E D [Member]
Shri Dinesh C. Shah	Independent – N E D [Member]

N E D : Non Executive Director

During 2012-2013, Fifteen Meetings of the Committee were held. The company has received total 12 complaints during the year 2012-13 which were disposed off and no complaint is pending at the year end. The Company Secretary of the company is the Secretary of the said Committee and he is also the Compliance Officer. As per the revised Clause 47 [F] of the listing agreement of the BSE the e-mail ID of the Company is inamdar@sudal.co.in

IV. SHARE TRANSFER COMMITTEE**Terms of Reference :**

The Company has share transfer committee with the following terms of reference:

- A) Transfer/transmission/transposition of shares;
- B) Consolidation/splitting of shares
- C) Issue of duplicate share certificates, sub division/ consolidation, rematerialized, defaced shares, Review of shares dematerialized and all other related matters

Composition of the committee

Name of the Director	Category
Shri Sudarshan S. Chokhani	Managing Director – [Chairman]
Shri Manoj O. Shah	Independent – N E D [Member]
Shri Dinesh C. Shah	Independent – N E D [Member]

N E D : Non Executive Director

The Committee met Fifteen times during the year.

4 REMUNERATION OF DIRECTORS

[₹ in thousands]

Name of the Director	Sitting Fees [₹]	Salary [Basic + HRA] [₹]	Perquisites & Allowances [₹]	PF Contribution [₹]	Commission [₹]	Total [₹]
Shri Sudarshan S. Chokhani	--	3000.00	--	--	--	3000.00
Shri Shyantanu S. Chokhani	--	3000.00	--	--	--	3000.00
Shri Deokinandan Ajitsaria	--	--	--	--	--	--
Shri Chaitan M. Maniar	18.00	--	--	--	--	18.00
Shri Manoj O. Shah	46.50	--	--	--	--	46.50
Shri Dinesh C. Shah	46.50	--	--	--	--	46.50

**5 COMPLIANCE OFFICER**

Shri Kiran G. Inamdar
Company Secretary
also the Compliance officer
[Upto June 30, 2013]
Mr. Mukesh Ashar
[w.e.f. July 01, 2013]

Corporate Office:
26A, Nariman Bhavan,
227, Nariman Point, Mumbai 400 021
Telephone No : 91-22-61577114
Fax No : 91-22-22022893
E-mail : mvashar@sudal.co.in

6 DISCLOSURES**I. RELATED PARTY TRANSACTIONS**

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 Note No.38 in the notes to the accounts in the Annual Report.

II. STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES

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.

III. CODE OF CONDUCT

The Company has adopted a Code of Conduct for the Directors and Senior Management Personnel of the Company.

IV. LISTING AGREEMENT COMPLIANCE

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement as amended till date.

V. RISK MANAGEMENT ASSESSMENT

The Company has since reviewed the risk based control system and evolved a procedure for risk assessment and timely rectification which would help minimisation of risk associated with any strategic, operational, financial and compliance risk across all the business operations. These control procedures and system will ensure that the Board is periodically informed of the material risks faced by the Company and the steps taken by the Company to mitigate those risks.

VI. ALLOTMENT OF EQUITY SHARES DURING THE YEAR

The company has allotted Equity Shares on conversion of Optionally Fully Convertible Warrants during the year as per details given below:

Date of allotment	No.of shares Alloted	Authorised Capital [₹]	Paid up Capital [₹]
March 06, 2013	690,000	75,000,000	65,078,180

Shares allotted on conversion of 690,000 OFC Warrants out of 1,550,000 OFC Warrants issued at ₹ 19/- each.

VII. LISTING APPROVAL FROM BSE

Final listing and trading permission from BSE Limited was received on April 11, 2013 for 690,000 Equity Shares issued and allotted on conversion of OFC Warrants.

VIII. BOARD PROCEDURE

The Company has established procedures to enable its Board to review compliance of all laws applicable to the Company as well as steps taken to rectify instances of non-compliance.

7 MEANS OF COMMUNICATION

Timely disclosure of information on business and financial performance of the Company is an integral part of good governance. Your Company disseminates information about its operations, business and financial performance to Stock Exchange. The Quarterly / Half yearly / Annual results are declared within Thirty days of the end of such respective period.

The Quarterly Unaudited Financial results and Audited Annual results are normally published "Free Press Journal" [English] Mumbai Edition and "Navshakti" [Marathi], Mumbai Edition.

Updates and developments impacting the business and financials together with Data on Shareholding pattern etc. are made available to the BSE Limited., Mumbai in the form which enable them to place them on their website i.e. www.bseindia.com.

8 LISTING

The Equity Shares of the Company are listed on BSE Limited, Mumbai.

9 GENERAL MEETINGS

Details of Annual General Meetings:

a) The particulars of last three Annual General Meetings of the Company are as under:

Financial Year	Date	Time	Venue
2011-2012	September 29, 2012	3:00 p.m.	} Hotel Sai Palace, Mumbai- Nashik Highway, CIDCO, Nashik-422010
2010-2011	August 27, 2011	3:00 p.m.	
2009-2010	September 25, 2010	3:30 p.m.	

b) The particulars of special resolution passed in the last three Annual General Meeting are as under:

Financial Year	No. of Special Resolutions
2011-2012	One
2010-2011	One
2009-2010	One

10 DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

As required under Clause 49 IV [G] [i] particulars of Directors seeking Appointment /reappointment are given in the Explanatory Statement annexed to the Notice of Annual General Meeting to be held on September 28, 2013.

11 GENERAL SHAREHOLDERS INFORMATION

Date of Incorporation	: August 08, 1979
Corporate Identity Number [CIN]	: L21541MH1979PLCO21541
Registered Office and Plant	: A-5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik – 422 010 [Maharashtra] Tel No : 91-253-6636201 / 229 Email : nashik@sudal.co.in
Corporate Office [Address for Correspondence]	: 26A, Nariman Bhavan, 227 Nariman Point, Mumbai – 400 021 Tel No : 91-22-61577100-119 Email : mumbai@sudal.co.in
Day and Date of the Annual General Meeting	: Saturday, September 28, 2013
Time and Venue of the Annual General Meeting	: 3.00 p.m. at Hotel Sai Palace, Mumbai Nashik Highway, CIDCO, Nashik - 422010
Date of Book Closure	: From September 17, 2013 to September 28, 2013 [both days inclusive]
Date and Time of Receipt of Proxy	: September 26, 2013 before 3.00 p.m.

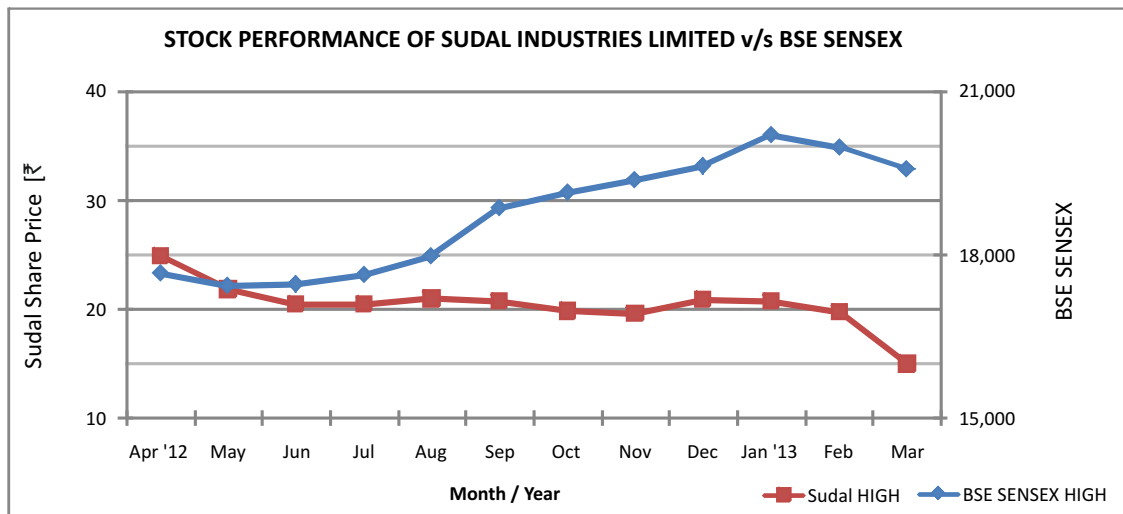


Financial Year: 2013 - 2014	: April 1, 2013 to March 31, 2014
First Quarter ending June 30, 2013	: 2nd Week of August, 2013
Second Quarter ending September 30, 2013	: 2nd Week of November, 2013
Third Quarter ending December 31, 2013	: 2nd Week of February, 2014
Fourth Quarter ending March 31, 2014	: 2nd Week of May 2014
Listing on Stock Exchange	: BSE Limited 25th Floor, P.J. Towers Dalal Street, MUMBAI 400 001 Tel No : 91-22-22721233 / 34 Fax No : 91-22-26598347 / 48 Website : www.bseindia.com The Annual Listing fee for 2013-2014 have been duly paid.
BSE Stock Code	: 506003
International Security Identification Number [ISIN] Code	: INE618D01015
Dividend Payment/Credit date	: On or after October 24, 2013
Outstanding Optionally Fully Convertible Warrants	: 860,000

12 MARKET PRICE DATA

The month-wise movement [High & Low] of the equity shares of the Company at the BSE Limited, Mumbai, during each month for the year ended 31st March 2013 is as under:

Year	Month	SIL Price Data		BSE SENSEX		
		High [₹]	Low [₹]	High [₹]	Low [₹]	
2012	April	24.85	20.40	17664	17010	
	May	21.85	17.10	17432	15809	
	June	20.45	17.45	17448	15748	
	July	20.50	17.05	17631	16598	
	August	20.95	18.25	17972	17026	
	September	20.75	17.60	18869	17250	
	October	19.85	18.00	19137	18393	
	November	19.60	17.60	19372	18255	
	December	20.90	17.50	19612	19149	
	2013	January	20.75	18.00	20203	19508
		February	19.80	13.65	19966	18793
		March	14.97	12.43	19754	18568



13 DISTRIBUTION OF EQUITY SHAREHOLDING AS AT MARCH 31, 2013

No of shares Held	Number of share holders	% of share holders	Aggregate shares held	% of shareholding
1 - 500	9,653	94.452	819,490	12.592
501 - 1000	312	3.053	243,903	3.748
1001 - 2000	119	1.164	178,591	2.744
2001 - 3000	42	0.411	109,367	1.681
3001 - 4000	26	0.254	93,445	1.436
4001 - 5000	10	0.098	48,171	0.740
5001 - 10000	28	0.274	214,953	3.303
10001 and above	30	0.294	4,799,898	73.756
Total	10,220	100.000	6,507,818	100.000

14 SHAREHOLDING PATTERN AS AT MARCH 31, 2013

Category	Number of Shareholders	No. of Shares held	% of share holding
Indian Promoters/ Relatives	06	3,783,000	58.13
Banks	01	50	0.00
Foreign Corporate Bodies	01	325,300	5.00
Corporate Bodies	84	316,238	4.86
Indian Public	10,092	2,052,887	31.54
NRI's / OCB's	36	30,343	0.47
Total	10,220	6,507,818	100.00

15 REGISTRAR AND TRANSFER AGENT

[For physical and Demat]

Sharepro Services [India] Private Limited

13 AB, Samitha Warehousing Complex, 2nd Floor, Saki Naka Telephone Exchange Road,

Saki Naka, Andheri [East], Mumbai - 400 072

Tel No : 91-22-67720300 / 67720400

Fax No : 91-22-28591568

Email : sharepro@shareproservices.com

16 SHARE TRANSFER SYSTEM

Share Transfers in physical form are to be lodged with Sharepro Services [India] Private Limited; Registrar and Transfer Agent [RTA] at the above mentioned address. The transfers are normally processed within 15 days from the date of receipt if the relevant documents are complete in all respect. Now authority is given to RTA to approve the transfers.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant [DP] regarding change of address, change of Bank/Bank Account number, nomination, etc.

17 DEMATERIALISATION OF SHARES

As per Notification issued by SEBI, with effect from June 26, 2000, it has become mandatory to trade in the Company's shares in the electronic form. The Company's shares are available for trading in the depository systems of both the National Securities Depository Ltd. [NSDL] as well as the Central Depository Services [India] Ltd. [CDSL] for demat facility.

79.43 % of the Company's total paid up share capital is held in dematerialised form as on March 31, 2013. It is 90.03% as on April 12, 2013.

**18 DEMAT & PHYSICAL SHARES**

Particulars	As at March 31, 2013	%
No. of Shares held at NSDL	1,238,021	19.02
No. of Shares held at CDSL	3,931,438	60.41
No. of Shares held in Physical form	*1,338,359	*20.57
Total	6,507,818	100.00

* 690,000 Equity Shares were dematerialised on April 12, 2013 [10.60%]

For and behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2013

Chaitan M. Maniar
Chairman

Annexure-IV

Statement of Particulars under section 217[2A] of the Companies Act, 1956 read with the Companies [Particulars of employee] Rules 1975 for the year ended March 31, 2012 and forming part of the Director's Report.

Sr. No	Name	Designation	Qualification	Age	Date of commencement of employment	Total Experience	Nature of duties of the employee	Gross remuneration ₹	Previous employment/ Designation
1	Sudarshan S Chokhani *	Managing Director	B.Com.,AMP in financial management	59	Nov.01,1988	37	General Management	3,000,000	Nil
2	Shyantanu S Chokhani *	Joint Managing Director	M.Sc. [Marketing and Strategy] [UK]	22	Nov.01,2010	2	General Management	3,000,000	Nil

* The nature of employment for both is Contractual

Notes:

1. Shri Sudarshan S. Chokhani is a relative of the following Directors [A] Shri Deokinandn O. Ajitsaria [B] Shri Shyantanu S. Chokhani.
2. Shri Shyantanu s. Chokhani is a relative of the following Directors [A] Shri Deokinandn O. Ajitsaria [B] Shri Sudarshan S. Chokhani
3. Remuneration includes salary,taxable value of perquisites

For and behalf of the Board of Directors

Place : Mumbai
Date : May 30, 2013

Chaitan M. Maniar
Chairman

Declaration of compliance of the Code of Conduct

I, hereby declare that pursuant to provisions of clause 49 [1] [D] [II] of the listing agreement all the Directors and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the Company.

For **Sudal Industries Limited**

Place : Mumbai
Date : May 30, 2013

Sudarshan S. Chokhani
Managing Director

CEO/CFO Certification

As required under sub clause V of Clause 49 of the listing agreement with the Stock Exchange, we have certified to the Board that for the financial year ended March 31, 2013 the Company has complied with the requirements of the said sub-clause.

For **Sudal Industries Limited**

Sudarshan S. Chokhani
Managing Director

Mukesh V. Asher
Chief Financial Officer[CFO]

Place : Mumbai
Date : May 30, 2013

Secretarial Compliance Certificate

This is to certify that Sudal Industries Limited having its Registered Office at A-5 MIDC, Ambad Industrial Area, Mumbai-Nashik Highway, Nashik-422010, Maharashtra has complied with all the Statutory requirements and maintained all books/records required under the Companies Act, 1956 and also complied with the requirements prescribed by SEBI and all the other applicable Statutes and rules there under, to the best of the knowledge of the undersigned.

For **Sudal Industries Limited**

Kiran Inamdar
Company Secretary

Place : Mumbai
Date : May 30, 2013

Auditors' Certificate on Corporate Governance under Clause No 49 of the Listing Agreement with BSE Limited

To The Members of
Sudal Industries Limited

We have examined the compliance of conditions of 'Corporate Governance' by Sudal Industries Limited for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with BSE Limited.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. 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 according to the explanations given to us, and based on the representations made by the Directors and 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.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances was pending for a period of one month against the Company as per the records maintained by the Company

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

For **LODHA & CO.**
Chartered Accountants
Firm Reg. No. 301051E

A. M. Hariharan
Partner
Membership No. 038323

Place : Mumbai
Date : May 30, 2013



Independent Auditors' Report

To

The Members

Sudal Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sudal Industries Limited ["the Company"], which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section [3C] of section 211 of the Companies Act, 1956 ["the Act"]. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with 'Significant Accounting Policies and the accompanying notes to financial statements, 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 March 31, 2013;
- [b] in the case of Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies [auditors' Report] Order, 2003 ["the Order"] issued by the Central Government of India in terms of sub-section [4A] of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227[3] of the Act, we report that:
 - [a] 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;

- [b] 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;
- [c] The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- [d] In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection [3C] of section 211 of the Act.
- [e] On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause [g] of sub-section [1] of section 274 of the Act.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number :301051E

A. M. Hariharan
Partner
Membership No. 038323

Place : Mumbai
Date : May 30, 2013



Annexure to the Independent Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENT" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SUDAL INDUSTRIES LIMITED

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we state that :

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable considering the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such physical verification. No substantial part of fixed assets was disposed off during the year.
2.
 - a] The inventory has been physically verified by the management at reasonable intervals during the year. Inventory lying with third parties and in-transit is being verified by the management with reference to confirmations or statements of account or subsequent receipt of goods.
 - b] The procedures of physical verification of inventory 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 inventory. The discrepancies noticed on verification of inventory between the physical stock and book records were not material and have been properly dealt with in the books of account.
3. As informed, the Company has not granted/taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and explanations given to us, and having regard to the fact that some of the items purchased are of special nature and in respect of which suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventories and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control system.
5. According to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of Section 58A, 58AA or any other relevant provisions of the Act and Rules framed there under.
7. The Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209[1] [d] of the Act and are of the opinion that, prima facie, the prescribed records have been made and maintained. However, we are not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
9.
 - a] According to the information and explanations given to us and according to the books and records as produced and examined by us, the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues as applicable have generally been regularly deposited by the Company during the year with the appropriate authorities and there were no arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
 - b] According to the records of the Company and the information and explanations given to us by the management, there are no dues of Sales tax/ Income tax/ Excise duty/ Wealth tax/ Custom duty/ Cess which have not been deposited on account of disputes.
10. The Company does not have accumulated losses as at 31st March, 2013 and has not incurred a cash loss during the financial year ended on that date. The Company had not incurred cash loss in the immediate preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
12. In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4[xiii] of the Companies [Auditors' Report] Order 2003 is not applicable to the Company.
14. In our opinion, during the year, the Company is not a dealer or trader in shares, securities, debentures and other investments.
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 obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow statement of the Company, in our opinion, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
18. During the year, the Company had made preferential allotment of 15,50,000 Optionally Fully Convertible ["OFC"] Warrants to Managing Director and his relative, both the parties covered under register maintained under section 301 of the Act. Out of which, the Company had converted 6,90,000 OFC warrants into 6,90,000 equity shares of ₹ 10 each at a premium of ₹ 9.00 each. The aforesaid price was higher than the minimum price computed under the SEBI guidelines and accordingly, the price at which shares had been issued is not prejudicial to the interest of the Company.
19. The Company has not issued any debentures during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **LODHA & CO.**
Chartered Accountants
ICAI Firm Registration Number :301051E

A. M. Hariharan
Partner
Membership No. 038323

Place : Mumbai
Date : May 30, 2013

**BALANCE SHEET AS AT MARCH 31, 2013**

[Amount in ₹]

Particulars	Note No.	As at March 31, 2013		As at March 31, 2012	
I EQUITY AND LIABILITIES					
[1] Shareholders' funds:					
[a] Share capital	1	65,078,180		58,178,180	
[b] Reserves and surplus	2	204,667,450		171,891,499	
[c] Money received against share warrants		4,085,000		-	
			273,830,630		230,069,679
[2] Non-current liabilities:					
[a] Long-term borrowings	3	41,821,363		61,538,228	
[b] Deferred tax liabilities [net]	4	41,687,700		26,291,673	
[c] Other Long term liabilities	5	40,000,000		30,000,000	
			123,509,063		117,829,901
[3] Current liabilities:					
[a] Short-term borrowings	6	97,177,518		84,405,886	
[b] Trade payables	7	208,102,555		242,200,676	
[c] Other current liabilities	8	46,679,759		43,778,531	
[d] Short term provisions	9	31,343,666		24,862,790	
			383,303,498		395,247,883
Total			780,643,191		743,147,463
II ASSETS					
[1] Non-current assets:					
[a] Fixed Assets	10				
[i] Tangible assets		336,688,963		294,297,983	
[ii] Intangible assets		2,087,006		-	
[iii] Capital work-in progress		15,835,618		35,525,474	
[iv] Intangible assets under development		-		3,287,867	
[b] Non-current investments	11	4,500		4,500	
[c] Long-term loans and advances	12	3,075,925		1,918,927	
			357,692,012		335,034,751
[2] Current assets:					
[a] Inventories	13	202,556,127		172,390,696	
[b] Trade receivables	14	139,482,080		159,369,249	
[c] Cash and Bank balances	15	967,226		570,968	
[d] Short-term loans and advances	16	45,156,642		48,702,269	
[e] Other current assets	17	34,789,104		27,079,530	
			422,951,179		408,112,712
Total			780,643,191		743,147,463
Significant Accounting Policies and accompanying notes forming integral part of the financial statements	A,B				
	[1 to 40]				

As per our attached report of even date

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301051E

A.M.Hariharan
Partner

Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Sudarshan S. Chokhani
Managing Director

Mukesh V. Ashar
Chief Financial Officer

Mumbai : May 30, 2013

Shyantanu S. Chokhani
Joint Managing Director

Kiran G. Inamdar
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]					
Particulars	Note No.	For the year ended March 31, 2013		For the year ended March 31, 2012	
Revenue :					
I Revenue from Operation [Gross]	18	1,101,086,229		1,241,398,913	
Less : Excise Duty		112,945,214		109,537,295	
Revenue From Operation [Net]			988,141,015		1,131,861,618
II Other Income	19		875,314		124,483
III Total Revenue [I+II]			989,016,329		1,131,986,101
IV Expenses :					
Cost of Materials Consumed	20	697,028,758		895,881,827	
Changes in Inventories of Finished Goods, Work in Progress and Stock-in-trade	21	15,620,231		[11,540,184]	
Employee benefits expense	22	45,590,790		36,688,266	
Finance costs	23	39,999,602		44,141,600	
Depreciation and amortisation expense	24	16,067,015		16,505,342	
Other expenses	25	139,235,110		125,662,550	
Total Expenses			953,541,506		1,107,339,401
V Profit before tax [III-IV]			35,474,823		24,646,700
VI Tax Expenses :					
Current tax			7,597,665		5,161,512
Taxation for Earlier Year			-		[1,606,982]
Deferred tax			15,396,027		6,567,426
MAT Credit			[7,097,714]		[4,931,250]
VII Profit for the year [V -VI]			19,578,845		19,455,994
VIII Earnings per share of face value of ₹10 each					
- Basic			3.34		3.38
- Diluted			3.34		3.38
Significant Accounting Policies and accompanying notes forming integral part of the financial statements	A,B [1 to 40]				

As per our attached report of even date

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301051E

A.M.Hariharan
Partner

Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Sudarshan S. Chokhani
Managing Director

Mukesh V. Ashar
Chief Financial Officer

Mumbai : May 30, 2013

Shyantanu S. Chokhani
Joint Managing Director

Kiran G. Inamdar
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

[Amount in ₹]

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before exceptional items and tax		35,474,823		24,646,700
Adjusted for :				
Depreciation	16,067,015		16,505,342	
Interest Expenditure	39,999,602		44,141,600	
		56,066,617		60,646,942
Operating profit before working capital changes		91,541,440		85,293,642
Adjustments for :				
Trade and Other Receivables	19,887,170		14,370,763	
Trade Payables including Advance received from customers	[19,834,414]		75,892,053	
Loans & Advances	15,474,960		[15,292,179]	
Inventories	[30,165,431]		[25,927,842]	
		[14,637,715]		49,042,795
Cash generated from operations		76,903,725		134,336,437
Direct Taxes Paid [Net]		1,677,179		[10,208,690]
NET CASH FLOW FROM OPERATING ACTIVITIES		78,580,904		124,127,747
B. CASH FLOW FROM INVESTMENT ACTIVITIES				
Purchase of Fixed Assets including CWIP & Pre-operative Expenses		[44,067,244]		[139,145,469]
Investments made		-		[3,500]
NET CASH USED IN INVESTING ACTIVITIES		[44,067,244]		[139,148,969]
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital		17,195,000		6,103,125
Borrowings Increase / [Decrease] [Net]		[2,787,970]		56,632,196
Interest Paid		[42,017,533]		[41,025,707]
Dividend Paid [includes tax on dividend]		[6,761,614]		[6,761,614]
NET CASH USED IN FINANCING ACTIVITIES		[34,372,117]		14,948,000
Net Increase / Decrease [-] in Cash and Cash Equivalents [A+B+C]		141,543		[73,222]
Cash and Cash Equivalents - Opening Balance		68,668		141,890
Cash and Cash Equivalents - Closing Balance		210,211		68,668

Notes :

- 1 The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3.
- 2 Cash and cash equivalents represent cash and bank balances excludes fixed deposit and dividend account.
- 3 Previous year's figures have been regrouped / rearranged wherever necessary to conform to current year's classification.

As per our attached report of even date

For **Lodha & Co.**
Chartered Accountants
ICAI Firm Registration No. 301051E

A.M.Hariharan
Partner

Mumbai : May 30, 2013

For and on behalf of the Board of Directors

Sudarshan S. Chokhani
Managing Director

Mukesh V. Ashar
Chief Financial Officer

Mumbai : May 30, 2013

Shyantanu S. Chokhani
Joint Managing Director

Kiran G. Inamdar
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

OVERVIEW :

Incorporated in the state of Maharashtra in 1979, the Company was originally named Sudarshan Aluminium Industries Limited. In April 1994, the name of the company was changed to Sudal Industries Limited.

The Company is in the business of manufacturing of Aluminium Extrusions, Aluminium Alloys, Down Stream Products.

A. SIGNIFICANT ACCOUNTING POLICIES

1. GENERAL :

- [a] The financial statements are prepared on the basis of historical cost convention, and on the accounting principles of a going concern.
- [b] Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable Accounting Standards prescribed by the Companies [Accounting Standards] Rules, 2006 to the extent applicable.
- [c] All expenses and income to the extent ascertainable with reasonable certainty are accounted for on accrual basis.

2. 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.

3. 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.

4. 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.

5. INVESTMENTS :

Long term investments are stated at cost.

6. VALUATION OF INVENTORIES :

- [a] Inventories 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 excluding aluminum scrap which is valued at estimated cost.
- [c] Dies being a specialised item [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.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

7. DEPRECIATION/ AMORTIZATION :

- [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, depreciation is provided on straight line method in the manner referred in the note [d] below:
 - [d] [i] In respect of building acquired / constructed 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 Schedule XIV to the Companies Act, 1956.
- [e] On plant and equipment, the depreciation is provided at the rate applicable to continuous Industrial unit and in the manner specified in Schedule XIV to the Companies Act, 1956
- [f] In respect of addition made by way of revaluation to certain fixed assets, the depreciation is provided on the basis of future estimated life to these assets.
- [g] The Company capitalizes intangible asset where it is reasonably estimated that the asset has an enduring useful life. Intangible assets are amortized over their useful life.

8. 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.

9. 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. Conversion job income is accounted for on the completion of the job.

10. TRANSLATION OF FOREIGN CURRENCY :

- [a] Transactions in foreign currency are recorded at the rate of exchange in force at the date of transaction.
- [b] 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.
- [c] 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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

11. 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.

12. 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.

13. 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.

14. GOVERNMENT GRANTS :

Grants and subsidies from the government are recognized if the following conditions are satisfied:

- There is reasonable assurance that the Company will comply with the conditions attached to it.
- Such benefits are earned and reasonable certainty exists of the collection.

Government grants or subsidies given with reference to the total investment in an undertaking or setting up of new industrial undertaking is treated as capital receipt and credited to capital reserve. The said capital reserve will not be available for distribution of dividend nor is considered as deferred income.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

B. NOTES ON ACCOUNTS :

[Amount in ₹]

Particulars	As at March 31, 2013	As at March 31, 2012
NOTE: 1		
SHARE CAPITAL		
Authorised :		
7,500,000 Equity Shares of ₹ 10 each	75,000,000	60,000,000
Issued :		
6,610,012 [Previous Year 5,920,012] Equity Shares of ₹ 10 each	66,100,120	59,200,120
Subscribed and paid-up :		
6,507,818 [Previous Year 5,817,818] Equity Shares of ₹ 10 each, fully paid up	65,078,180	58,178,180

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	% held	No. of Shares	% held
a] Details of shareholding more than 5% :				
1 Sudarshan Shriram Chokhani	1,533,587	23.57	933,587	16.05
2 Shyantanu Sudarshan Chokhani	1,218,200	18.72	1,218,200	20.94
3 Sudal Enterprises Private Limited	790,488	12.15	790,488	13.59
4 Reynolds International Inc.	325,300	5.00	325,300	5.59

b] Terms/rights attached to equity shares:

- i] The Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.
- ii] The Company has not issued any aggregate number and class of shares as fully paid up pursuant to contract[s] without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date.
- iii] In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to the shareholding. However, no such preferential amount exist currently.

c] The proceeds of preferential issue have been utilised for meeting working capital requirements.

d] The reconciliation of the number of shares outstanding at beginning and at the end of the year, for the period of five years immediately preceding the Balance Sheet date :

Particulars	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
	No. of Shares	No. of Shares	No. of Shares	No. of Shares	No. of Shares
Balance as at the beginning of the year	5,817,818	5,467,818	5,017,818	4,417,818	4,417,818
I] Shares issued pursuant to a contract without payment being received in cash	--	--	--	--	--
ii] Shares issued as fully paid up bonus shares	--	--	--	--	--
iii] Allotment on conversion of Optionally Fully Convertible Warrants	690,000	350,000	450,000	600,000	--
[iv] Shares bought back	--	--	--	--	--
Balance as at the end of the year	6,507,818	5,817,818	5,467,818	5,017,818	4,417,818

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

e] Issue of Convertible Warrants and conversion into Shares:

The Company has pursuant to the approval of the shareholders in the Extra Ordinary General Meeting held on 30th January, 2013, has issued 1,550,000 Optionally Fully Convertible Warrants["OFC"] of ₹ 19.00 each to director and their relatives on 14th February,2013. Out of which, the Company had converted 690,000 OFC warrants into 690,000 equity shares of Rs.10 each at a premium of ₹ 9.00 each on 9th March, 2013, in accordance with provisions of Chapter XIII of SEBI [Disclosure and investor protection] Guidelines 2000 issued by Securities and Exchange Board of India and the balance 860,000 OFC warrants to be converted into equity shares on or before 13th August, 2014.

[Amount in ₹]

Particulars	As at March 31, 2013		As at March 31, 2012	
NOTE : 2				
RESERVES AND SURPLUS				
Revaluation Reserve :				
Balance as at the beginning of the year	73,742,911		80,242,876	
Less: Amount transferred to Statement of Profit and Loss as reduction from depreciation	[6,499,965]		[6,499,965]	
Balance as at the end of the year		67,242,946		73,742,911
Capital Reserve :				
Balance as at the beginning of the year	13,831,330		-	
Add : State Government Subsidy for expansion of capacity - Octroi duty refunded / refundable	21,050,620		13,831,330	
Balance as at the end of the year [Refer Significant Accounting Policy No.14]		34,881,950		13,831,330
Securities Premium Account :				
Balance as at the beginning of the year	18,550,000		13,912,500	
Add : Received during the year	6,210,000		4,637,500	
Balance as at the end of the year		24,760,000		18,550,000
Profit and Loss :				
Balance as at the beginning of the year	65,767,258		53,481,010	
Add : Profit during the year	19,578,845		19,455,994	
	85,346,103		72,937,004	
Less : Proposed dividend	[6,507,818]		[6,167,818]	
Less : Dividend Distribution Tax on above	[1,055,731]		[1,001,928]	
Balance as at the end of the year		77,782,554		65,767,258
Total		204,667,450		171,891,499
NOTE : 3				
LONG-TERM BORROWINGS				
Term Loans				
Secured				
a] From Banks	35,553,760		58,491,079	
b] Vehicle Loan	627,984		909,559	
		36,181,744		59,400,638
Unsecured				
a] From Banks	181,998		624,800	
b] Intercorporate Deposits	5,457,621		1,512,790	
		5,639,619		2,137,590
[For terms and conditions - Refer Note No.28]				
Total		41,821,363		61,538,228



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	As at March 31, 2013		As at March 31, 2012	
NOTE : 4				
DEFERRED TAX LIABILITIES [NET]				
Deferred Tax Liabilities				
Depreciation	46,551,691		30,185,898	
Total Deferred Tax Liabilities		46,551,691		30,185,898
Deferred Tax Assets				
Gratuity	4,170,375		3,344,682	
Others	693,616		549,543	
Total Deferred Tax Asset		4,863,991		3,894,225
Total		41,687,700		26,291,673
NOTE : 5				
OTHER LONG - TERM LIABILITIES				
Supplier's credit from Associates		40,000,000		30,000,000
Total		40,000,000		30,000,000
NOTE : 6				
SHORT - TERM BORROWINGS				
Secured				
Working Capital Loan From Banks		95,677,518		84,405,886
Unsecured				
Inter Corporate Deposits		1,500,000		-
Total		97,177,518		84,405,886
[For terms and conditions - Refer Note No.28]				
NOTE : 7				
TRADE PAYABLES				
Acceptances		164,248,669		181,386,102
Others		43,853,886		60,814,574
Total		208,102,555		242,200,676
[Refer note no.36 for dues to micro. small and medium enterprises]				
NOTE : 8				
OTHER CURRENT LIABILITIES				
Current maturities of Long - Term Debts				
a) Term Loan from Banks	27,928,861		28,152,400	
b) Vehicle Loan	418,656		1,559,244	
c) Inter corporate Deposits	10,672,611		5,151,221	
		39,020,128		34,862,865
Interest accrued but not due		1,120,448		3,138,379
Unpaid Dividends #		756,015		501,300
Advance From Customers		3,047,187		3,507,732
Statutory Dues		2,408,195		1,514,392
Other payables		327,786		253,863
Total		46,679,759		43,778,531
# No amount is due to be credited to investor education & protection fund.				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	As at March 31, 2013		As at March 31, 2012	
NOTE : 9				
SHORT TERM PROVISIONS				
Provision for employee benefits		16,542,244		13,040,433
Others:				
Provision for Income Tax	7,237,873		5,060,743	
Proposed Dividend	6,507,818		5,817,818	
Provision for Corporate Dividend Tax	1,055,731	14,801,422	943,796	11,822,357
Total		31,343,666		24,862,790

NOTE : 10 FIXED ASSETS

[Amount in ₹]

Description	Gross Block				Depreciation / Amortisation				Net Block	
	Balance as at April 01, 2012	Additions	Deductions/ Adjustments	Balance as at March 31, 2013	Balance as at April 01, 2012	For the year	Deductions/ Adjustments	Balance as at March 31, 2013	Balance as at March 31, 2013	Balance as at April 01, 2012
[a] Tangible Assets										
Leasehold Land	21,120,000	15,218,100	-	36,338,100	2,379,272	297,409	-	2,676,681	33,661,419	18,740,728
Freehold land*	2,710,228	490,525	-	3,200,753	-	-	-	-	3,200,753	2,710,228
Buildings	81,479,815	23,173,498	-	104,653,313	15,347,706	2,625,290	-	17,972,996	86,680,317	66,132,109
Plant and equipment**	488,527,085	22,041,802	-	510,568,887	289,746,410	15,708,389	-	305,454,799	205,114,088	198,780,675
Furniture and Fixtures	2,607,600	514,776	-	3,122,376	2,167,482	120,355	-	2,287,837	834,539	440,118
Vehicles***	8,841,026	1,279,046	-	10,120,072	4,496,514	1,325,167	-	5,821,681	4,298,391	4,344,512
Office Equipment	11,434,047	848,877	-	12,282,924	8,284,434	1,099,034	-	9,383,468	2,899,456	3,149,613
Total [a]	616,719,801	63,566,624	-	680,286,425	322,421,818	21,175,644	-	343,597,462	336,688,963	294,297,983
[b] Intangible Assets										
Software	-	3,478,343	-	3,478,343	-	1,391,337	-	1,391,337	2,087,006	-
Total [b]	-	3,478,343	-	3,478,343	-	1,391,337	-	1,391,337	2,087,006	-
Total [a + b]	616,719,801	67,044,967	-	683,764,768	322,421,818	22,566,981	-	344,988,799	338,775,969	294,297,983
As at March 31, 2012	486,418,736	130,301,065	-	616,719,801	299,416,511	23,005,307	-	322,421,818	294,297,983	-

*Free Hold Land of ₹ 897,500 acquired in the year 2011-2012 is in the process of being transferred in the name of the Company.

** The company has been providing depreciation on plant and equipment at the rate applicable to the No. of shifts worked till 31st March, 2012. In the current year, the Company has provided the depreciation at the rate of 5.28% [applicable to continuous industrial unit]. The effect of change in estimate has reduced depreciation expense and increase profit for the year by ₹ 63,74,804.

*** Note : Gross Block of Vehicles include, Gross Block ₹ 86,99,364 [previous year ₹ 74,20,318]; Accumulated depreciation ₹ 47,58,867 [Previous year ₹ 35,75,694]; Net Block ₹ 39,40,497 [Previous year ₹ 38,44,624] purchased on hire purchase basis. These vehicles are held in the name of the directors/ employees on behalf of the Company.

[Amount in ₹]

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Work in Progress :		
Assets under installation / construction		
Plant & Machinery	-	11,652,237
Building Under Construction	230,667	21,138,785
Advance for Freehold Land	-	30,000
Mega Project - Land development & other related expenses	15,604,951	2,704,452
Legal & professional charges	4,844,976	2,030,300
Salaries & remuneration	4,480,806	-
Traveling Expenses	3,630,237	-
Others	2,648,932	674,152
Total	15,835,618	35,525,474
Intangible assets under development:		
Software under development	-	3,287,867
Total	-	3,287,867



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	As at March 31, 2013		As at March 31, 2012	
NOTE : 11				
NON CURRENT INVESTMENTS				
Equity Instruments [Long term unquoted and valued at cost]				
20 Shares of ₹ 50 each of The Thane Janata Sahakari Bank Limited		1,000		1,000
100 Shares of ₹ 10 each of The Jankalyan Sahakari Bank Limited		1,000		1,000
250 Shares of ₹ 10 each of The Kalyan Janata Sahakari Bank Limited		2,500		2,500
Aggregate cost of Unquoted Investments Total		4,500		4,500
NOTE : 12				
LONG TERM LOANS AND ADVANCES				
Unsecured, considered good				
Deposit with Government/ Semi-Government authorities		1,277,095		427,379
Advances to Staff		1,440,763		1,383,481
Other Deposits		358,067		108,067
Total		3,075,925		1,918,927
NOTE : 13				
INVENTORIES				
[As taken, valued and certified by the Management]				
Raw Materials [including in transit ₹ Nil; Previous year ₹ 11,012,212]		21,891,881		21,855,197
Work in Process		39,989,696		53,599,872
Finished Goods		3,021,472		5,031,527
Stores & Spares		137,653,078		91,904,100
Total		202,556,127		172,390,696
NOTE : 14				
TRADE RECEIVABLES				
Unsecured, considered good				
Outstanding for a period exceeding six months from the due date		5,363,245		3,243,954
Others		134,118,835		156,125,295
Total		139,482,080		159,369,249

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	As at March 31, 2013		As at March 31, 2012	
NOTE : 15				
CASH AND BANK BALANCES				
Cash and Cash Equivalents:				
Balances with Banks:				
In Current Accounts	181,266		63,618	
Cash on hand	28,945	210,211	5,050	68,668
Others:				
Unpaid Dividend Account	756,015		501,300	
Fixed Deposits [Lodged with Central Excise Dept, Nashik]	1,000		1,000	
		757,015		502,300
Total		967,226		570,968
NOTE : 16				
SHORT-TERM LOANS AND ADVANCES				
Unsecured, Considered good				
Deposits for Premises		17,802,100		17,802,100
Others		27,354,542		30,900,169
Total		45,156,642		48,702,269
NOTE : 17				
OTHER CURRENT ASSETS				
VAT Receivable		19,846,677		18,122,960
MAT Receivable		14,228,322		7,130,608
Others		714,105		1,825,962
Total		34,789,104		27,079,530
Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
NOTE : 18				
REVENUE FROM OPERATIONS				
Sale of Products				
Aluminium Extrusion	1,067,728,735		1,212,368,534	
Aluminium Alloys	14,468,397		7,112,119	
Less: Excise Duty	[111,589,152]		[107,945,599]	
		970,607,980		1,111,535,054
Sale of Services	6,494,509		5,707,776	
Less: Excise Duty	-		[91,926]	
		6,494,509		5,615,850
Other Operating Income				
Sale of Scrap	12,327,433		15,909,743	
Less: Excise Duty	[1,356,062]		[1,499,770]	
Miscellaneous Income	551		74,897	
Sundry balances written back [net]	66,604		225,844	
		11,038,526		14,710,714
Total		988,141,015		1,131,861,618



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
NOTE : 19				
OTHER INCOME				
Foreign exchange gain [net]		875,314		124,483
Total		875,314		124,483
NOTE : 20				
COST OF MATERIALS CONSUMED				
Consumption of Raw Materials and Components		685,370,457		879,528,003
Stores and Spare parts consumed		11,658,301		16,353,824
Total		697,028,758		895,881,827
NOTE : 21				
CHANGES IN INVENTORIES OF FINISHED GOODS/ WORK IN PROGRESS AND STOCK-IN-TRADE				
Opening Stock [as on April 01,2012]				
Finished Goods	5,031,527		6,491,910	
Work in Process	53,599,872		40,599,305	
		58,631,399		47,091,215
Closing Stock [as on March 31, 2013]				
Finished Goods	3,021,472		5,031,527	
Work in Process	39,989,696		53,599,872	
		43,011,168		58,631,399
Total		15,620,231		[11,540,184]
NOTE : 22				
EMPLOYEE BENEFITS EXPENSE				
Salaries, Wages and Bonus		35,269,033		30,628,622
Contribution to Provident fund and other funds		3,695,358		3,056,967
Gratuity		4,196,875		1,053,177
Staff Welfare Expenses		2,429,524		1,949,500
Total		45,590,790		36,688,266
NOTE : 23				
FINANCE COST				
Interest Expenses		32,706,697		39,336,385
Other borrowing costs		7,292,905		4,805,215
Total		39,999,602		44,141,600
NOTE : 24				
DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation and amortisation		22,566,980		23,005,307
Less: Transferred from revaluation reserve [Refer Note No.30]		[6,499,965]		[6,499,965]
Total		16,067,015		16,505,342

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
NOTE : 25				
OTHER EXPENSES				
Power and Fuel		96,373,856		86,381,366
Labour Charges		7,657,663		6,384,062
Repairs and Maintenance Expenses				
Repairs to building	361,431		349,531	
Repairs to machinery	185,630		626,483	
Repairs - Others	2,765,423		2,347,879	
		3,312,484		3,323,893
Packing Charges		6,117,488		5,378,806
Insurance		341,318		305,248
Telephone and Postage		2,371,872		2,131,443
Travelling and Conveyance		2,503,803		2,980,403
Rebate and Discount		2,783,917		1,989,999
Commission and Brokerage		1,606,549		3,079,085
Directors' Meeting Fees		111,000		123,000
Legal and Professional charges		3,955,635		3,093,995
Auditors' Remuneration		844,016		864,779
Rates and Taxes		1,449,297		534,839
Transportation		777,588		1,509,498
Retainership Charges		1,272,573		1,003,925
Miscellaneous Expenses		7,729,913		6,830,726
Increase / [Decrease] in Excise Duty on Closing Stock		26,138		[252,517]
Total		139,235,110		125,662,550
		As at March 31, 2013		As at March 31, 2012
NOTE : 26				
Contingent Liabilities not provided in respect of:				
[a] Tax liability for pending 'C' Forms		10,075,878		1,694,523
[b] Bills/Cheques discounted with bank		7,320,364		Nil
NOTE : 27				
Commitment:				
Estimate amount of contracts remaining to be executed on capital account and not provided for [net of Advances ₹ 1,066,150 ; Previous year ₹ 30,000]		1,066,150		275,000



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

28. Secured Loans :

- [a] Term Loan of ₹ 90.30 Lakhs [Previous year ₹ 182.12 Laks] [Interest @ PLR plus 1% p.a.] and Term Loan of ₹ 520.53 Lakhs [Previous year ₹ 667.98 Lakhs] [Interest @ Base rate plus 3.50% p.a.] are secured by way of equitable mortgage of all immovable properties and hypothecation of all movable assets which is equally repayable in 11 months and 38 months installments respectively and is also personally guaranteed by two directors of the Company.
- [b] Non fund based limit utilised ₹ 1642 Lakhs [Previous year ₹1814 Lakhs] and Cash Credit [Interest @ Base Rate plus 3.25% per annum] are secured by hypothecation of stocks and book debts and is also personally guaranteed by two directors of the Company.
- [c] Vehicle Loan of ₹ 24.68 Lakhs [Previous year ₹ 10.47 Lakhs] [Interest @ 8.75% flat] are repayable over a period of 3 years and secured by hypothecation of Vehicle purchased their against.

Unsecured Loans :

Interest rate range between 15% to 18% [Previous year 15% to 16%] and are repayable within 1 to 3 years [Previous year 2 to 3 years].

29. [a] In the opinion of the Board, assets other than fixed assets and non current investment have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet.
- [b] The accounts of trade receivable and payable and Loans and Advances are subject to formal confirmations / reconciliation and adjustments, if any. The management does not expect any material difference affecting the current year's financial.
30. Land, Building, Plant & Machinery and Electrical Installations were valued in the accounts on April 1,1994. The same have again been revalued on March 31, 2004 on the basis of reports of approved valuer/ replacement cost basis using standards indices. The following revalued amount [net of withdrawals] remain substituted for the historical cost in the gross block of fixed assets.

[Amount in ₹]

Particulars	As at March 31, 2013	As at March 31, 2012
Land	21,120,000	21,120,000
Building	27,453,375	27,453,375
Plant and Machinery	295,523,547	295,523,547
Electrical Installation	7,635,020	7,635,020

31. Auditors Remuneration include :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
As Audit Fees	250,000	250,000
For Tax Audit	55,000	55,000
For Taxation matters	80,000	80,000
For Management Services	100,000	100,000
For Certification	295,686	310,258
Out of Pocket Expenses [excluding service tax]	63,330	69,521
Total	844,016	864,779

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

32. Earning Per Share :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Profit as per Statement Profit and Loss	19,578,845	19,455,994
Basic and Diluted Weighted average number of Equity Shares outstanding during the year [Nos]	5,865,078	5,763,160
Nominal value per Equity Shares	10	10
Basic earnings per share [₹]	3.34	3.38
Diluted earning per share [₹]	3.34	3.38

33. Research and Development Expenditure :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Capital Expenditure	-	5,808,908
Profit and Loss Account [Debited to respective expenses heads in the Profit and Loss Account]	1,790,219	1,118,591

34. [a] Value of Imports on CIF basis :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Raw Material	97,116,804	3,492,928
Capital Goods	-	11,652,237
Components and Spare Parts	428,353	417,207

[b] Expenditure in foreign currency :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Travelling Expenses	399,166	105,086

[c] Earnings in foreign currency on account of :

[Amount in ₹]

Particulars	For the year ended March 31, 2013	For the year ended March 31, 2012
Export on FOB Basis	-	152,521

[d] Foreign Exchange Currency exposures not covered by derivative instruments as on 31st March, 2013 :

[Amount in ₹]

Particulars	Current Type	As At March 31, 2013		As At March 31, 2012	
		Foreign Currency	Indian Currency	Foreign Currency	Indian Currency
Creditors for Goods	Euro	-	-	3,169	208,438



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

35. Cost of Raw material consumed :

Particulars	For the year ended March 31, 2013		For the year ended March 31, 2012	
	%	[Amount in ₹]	%	[Amount in ₹]
[a] Raw Material				
Imported Material	13.70	93,957,782	-	-
Indigenous Material	86.30	591,412,675	100.00	879,528,003
Total	100.00	685,370,457	100.00	879,528,003
[b] Spare parts and Components				
Imported Material	01.96	228,518	08.48	1,358,842
Indigenous Material	98.04	11,429,783	91.52	14,994,982
Total	100.00	11,658,301	100.00	16,353,824

36. 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.

37. The Company is primarily engaged in the business of Manufacturing of Aluminium Extrusions and down stream/ value added products and all the operations are located in India. Thus in terms of accounting standard "Segment Reporting" [AS-17], it is the only segment for reporting purpose.

38. Disclosures as required by Accounting Standard -18, on "Related Party Disclosure" are given below :

- [i] Associates with whom transactions have been entered during the year in the ordinary course of the business:
Sudarshan Chokhani and Company
Shriram Chokhani and Company
Chhaganlal Sheokarandas and Company
- [ii] Key Management Personnel:
Shri Sudarshan S. Chokhani
Shri Shyantanu S. Chokhani
- [iii] Relatives of Key Managerial Personned:
Shri Deokinandan Ajitsaria

[Amount in ₹]

Particulars	Associates / Group Companies / Firms	Key Management Personnel	Total
[a] Transactions during the year:			
Purchase of goods			
Sudarshan Chokhani and Company	144,960,126	-	144,960,126
	[208,106,814]	[-]	[208,106,814]
Shriram Chokhani and Company	100,524,144	-	100,524,144
	[141,708,127]	[-]	[141,708,127]
Purchase of Fixed Assets			
Chhaganlal Sheokarandas and Company	4,235,681	-	4,235,681
	[15,848,861]	[-]	[15,848,861]
Finance Charges			
Sudarshan Chokhani and Company	1,856,870	-	1,856,870
	[2,251,264]	[-]	[2,251,264]
Shriram Chokhani and Company	1,220,188	-	1,220,188
	[1,300,367]	[-]	[1,300,367]

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

[Amount in ₹]

Particulars	Associates / Group Companies / Firms	Key Management Personnel	Total
Managerial Remuneration			
Shri Sudarshan S. Chokhani	-	3,000,000	3,000,000
	[-]	[3,000,000]	[3,000,000]
Shri Shyantanu S. Chokhani	-	3,000,000	3,000,000
	[-]	[3,000,000]	[3,000,000]
Counter Guarantee given to bank by the above directors, being jointly and severally liable	-	430,000,000	430,000,000
	[-]	[430,000,000]	[430,000,000]
[b] Balances with Related Parties as on 31.03.2013			
Current Liabilities			
Sudarshan Chokhani and Company	7,350,924	-	7,350,924
	[15,090,188]	[-]	[15,090,188]
Shriram Chokhani and Company	36,143,003	-	36,143,003
	[22,442,064]	[-]	[22,442,064]
Deposits Given			
Sudarshan Chokhani and Company	17,762,500	-	17,762,500
	[17,762,500]	[-]	[17,762,500]
Shriram Chokhani and Company	39,600	-	39,600
	[39,600]	[-]	[39,600]
Counter Guarantee given to bank by the above directors, being jointly and severally liable	-	430,000,000	430,000,000
	[-]	[430,000,000]	[430,000,000]

Note:

- No amount pertaining to related parties has been provided for as doubtful. Also no amount has been written off/ back.
- The related parties are as identified by the Company and relied upon by the Auditors.

39. Loans and Advances in nature of loans :

[Amount in ₹]

Particulars	Amount outstanding as on March 31, 2013	Maximum amount outstanding during the year
Loans where there is no interest or at an interest rate below that specified in the Companies Act,1956 Employees [as per general rules of the Company]	1,440,763 [1,383,481]	1,653,464 [1,406,072]

40. The previous year figures have been regrouped/ rearranged/ reclassified, wherever necessary to conform to the current years presentation.

Signatures to Notes 1 to 40 which form an integral part of the financial statements.

For and on behalf of the Board of Directors

Sudarshan S. Chokhani
Managing Director

Shyantanu S. Chokhani
Joint Managing Director

Place : Mumbai
Date : May 30, 2013

Mukesh V. Ashar
Chief Financial Officer

Kiran G. Inamdar
Company Secretary

FORM 2B
NOMINATION FORM

[Nomination under Section 109A of the Company's Act,1956]

Sudal Industries Limited.

A-5, MIDC, Ambad Industrial Area,
Mumbai-Nashik Road, Nashik-422010, Maharashtra

Date: _____

Dear Sir,

RE : NOMINATION

I/We _____ and _____ the holder[s] of shares under Ledger Folio Number _____ of Sudal Industries Limited Wish to make a nomination and do hereby nominate the following person in whom all rights of share[s] and/or Amount payable in respect of share[s] registered under the said folio shall vest in the event of my/our death. This nomination automatically supersedes the nomination, if any, given by me/us prior to the date herein above mentioned.

Name and Address of the Nominee

Name : _____

Address : _____

Date of Birth* : _____ [* to be furnished in case the nominee is a minor]

** the Nominee is a minor. I/We _____ [Name and Address of the Guardian], to receive the share[s] and/or the amount payable in respect of share[s] in the event of my/our/minor's death during the minority of the nominee.

[** To be deleted if not applicable]

Name of the **First Holder** : _____

Address : _____

Date : _____ Signature : _____

Name of the **Second Holder** : _____

Address : _____

Date : _____ Signature : _____

Specimen Signature of the Nominee : _____

[To be attested by the Shareholder[s] _____ [Signatures of Shareholder[s]] _____

Signatures of Witnesses :

1) Name and Address : _____

Date : _____ Signature : _____

2) Name and Address : _____

Date : _____ Signature : _____

Instructions :

- 1) Please use separate form for each folio. Nominations is applicable to the folio, irrespective of the number of shares registered under the folio. Only One nomination per folio per instance would be entertained.
- 2) The Nomination can be made by individuals only applying/holding share[s] on their own behalf singly or jointly by all the Joint holders. Non-individuals including society, trust, body corporate, partnership firm, karta of Hindu Undivided Family, holder of a power of attorney cannot nominate.
- 3) If the Share[s] are held jointly, all the Joint Holders should sign the Nomination Form. Nomination Form will be valid only if It is signed by all the holder[s].
- 4) The Nominee shall not be a trust, society, body Corporate, partnership firm, Karta of Hindu Undivided Family, or a power of Attorney holder. A non-resident Indian can be a nominee on a re-patriation basis [subject to the approval of Reserve Bank of India as applicable.]
- 5) Nominations stands rescinded upon transfer of all the share[s] in a folio or on receipt of a subsequent Nomination Form.
- 6) Transfer of share[s] in favour of the nominee, on the death of the shareholder[s] shall be a valid discharge by the Company against the legal heirs.
- 7) The Form must be completed in all respects and duly witnessed by two witnesses. Incomplete form is not a valid Nomination.
- 8) Subject to Rules and Regulations as applicable from time to time.

----- ✂ -----
Sudal Industries Limited Registered office : A-5, MIDC, Ambad Industrial Area, Mumbai-Nashik Highway, Nashik- 422001

To,
Shri/Smt/Kum : _____
[Name and Address]

Dear Sir/Madam,

NOMINATION

We Acknowledge receipt of Nomination made by you on _____ [date] in favour of Shri/Smt/Kum _____
aged _____ years in respect of your equity shares registered under folio No : _____

Yours Faithfully
Authorised Signatory

≈ Quality policy ≈

Dedicated to exceed customers expectation and devoted to customers delight SUDAL's business strategy us
SERVICE, QUALITY and
CUSTOMER RELATIONSHIP MANAGEMENT [CRM]



FORWARD LOOKING STATEMENT

We may from time to time make forward looking statements in our annual report to shareholder, in offering circulars and prospectus, in press release and other written materials and in oral statements made by our officers. Directors or employees to financial analyst, institutional investors, representatives of the media and others.

Examples of such forward looking statements may include:

- Projections of revenues, operating income, net income[loss], net income[loss] per share capital expenditures, dividends, capital structure or other financial items or ratios;
- Statements of our plans or objectives;
- Changes in our regulatory environment;
- Statements about our future economic performance or that of the marketplace and
- Statements of assumptions underlying such statements.

Words such as 'believe'; 'anticipate'; 'plan'; 'expect'; 'intend'; 'target'; 'estimate'; 'project'; 'predict'; 'forecast'; 'guideline'; 'should' and similar expressions are intended to identify forward looking statements but are not the exclusive means of identifying such statements. Forward looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the projections, plans, objectives, expectations, estimates and intentions expressed in forward looking statements. These factors, some of which are discussed above under "Risks Factors" include material changes in the performance or terms of our concessions, developments in legal proceedings, economic and political conditions and government policies in Sudal Limited or elsewhere, inflations rates, exchange rates, regulatory developments, customer demand and competition.

We caution you that the foregoing list of factors is not exclusive and that eventualities related to other risks and uncertainties may cause actual results to differ materially from those expressed in forward looking statements.

Forward looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments.



Passion to deliver..



SUDAL INDUSTRIES LIMITED

Corporate Office :

26 A, Nariman Bhavan, 227,
Nariman Point, Mumbai – 400 021
Tel No : 91-22-61577100 / 177
E- mail : mumbai@sudal.co.in



SUDAL



INDUSTRIES LIMITED

Certified for ISO/TS 16949 : 2002 & ISO 9001 : 2000 quality system

Corporate Office: 26 Nariman Bhavan, 227 Nariman Point, Mumbai 400 021. (INDIA) • Phone: 91-22-22023845, 22024053, 22022745, 22026293, 22823790
• Fax: 91-22-22022893 • E-Mail: sudal@vsnl.com • www.sudal.co.in

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Sudal Industries Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	Signatures	<p>For Sudal Industries Limited</p> <p><i>Sudarshan Chokhani</i> Sudarshan Chokhani Director</p> <p><i>Manoj O. Shah</i> Manoj O. Shah Audit Committee Chairman</p> <p><i>M. V. Ashar</i> M. V. Ashar Chief Financial Officer</p>
		<p>For Lodha & Company Chartered Accountants Firm Registration No. 301501E</p> <p><i>A. M. Hariharan</i> A. M. Hariharan Partner Membership No. 038323</p>



Manufacturers of Aluminium Extrusions & Components • Architectural & Transport Systems/Irrigation Systems • Non Ferrous Alloys
Regd. Office & Works: A-5, MIDC, Ambad Industrial Area, Mumbai Nashik Highway, Nashik 422 010.
Phone: 91-253-2382396/2382397/2382297 • Fax: 91-253-2382197
E-mail: sudalind_nsk@sanchamnet.in

2-10A-GMC-01604

Pune: Phone: 020-25811293 • Vadodara: Phone: 0265-2337462 • Bangalore: Phone: 080-23371121 • Fax: 080-23372385

