



Alufluoride Limited

An ISO 9002 Company



***Annual Report
1999 - 2000***



Alufluoride Limited



Board of Directors

Sri Vipul A. Desai
Sri D.S. Umalkar
Sri Venkat Akkineni
Sri M.Balarama Krishnaiah
Sri V.S.Prasad, Managing Director

Auditors

Messrs Rao & Kumar
Chartered Accountants
Soudamani
Siripuram
Visakhapatnam - 530 003

Bankers

State Bank of India

Registered Office Registrars & Share Transfer Agents

Alufluoride Limited
Victory Court
Nowroji Road
Visakhapatnam - 530 002
Phone : 91 - 891 - 535606, 535607
Fax : 91 - 891 - 560036
Email : alufluoride@nettlinx.com
Web : <http://www.alufluoride.com>

Factory

Mulagada Village
Mindhi (Post)
Visakhapatnam - 530 012
Phone : 91 - 891 - 577094, 577077
Fax : 91 - 891 - 560036
Email : alufluoride@nettlinx.com
Web : <http://www.alufluoride.com>



Alufluoride Limited

NOTICE TO SHARE HOLDERS

NOTICE is hereby given that the 16th Annual General Meeting of Alufluoride Limited will be held at the Registered Office of the Company at Victory Court, Nowroji Road, Visakhapatnam-530 002 on Thursday, 24 August, 2000 at 11.00 a.m. to transact the following business :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2000 and Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To elect a Director in place of Sri D.S. Umalkar who retires by rotation, and being eligible offers himself for reappointment.
3. To elect a Director in place of Sri M. Balarama Krishnaiah who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following with or without modifications as SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to the provisions of section 17 of the Companies Act, 1956 and subject to the confirmation of the Registrar of Companies, Andhra Pradesh, Clause III of the Memorandum of Association of the Company be altered by inserting the following new sub-clause No. (5) after sub-clause (4) of the Main Objects Clauses :

- (5) To carry on the business of Information Technology, Software Development, Internet Services, Internet Securities, Software and Hardware Development and setting up units in software technology parks of India for providing computer related and information technology related services for domestic as well as export service in the areas of computer management and engineering covering computer information, systems design and development, computer based management, information systems, online real time systems, digital systems, process control, distributed computing, database design and implementation, operational systems, simulators

design compilers, studies on computer architecture, software development, hardware development, surveying and survey data systems, industrial engineering and application of information technology and computers for industrial engineering and all other related areas of computer and Information Technology for local and export markets.

By order of the Board
for **ALUFLUORIDE LIMITED**

Visakhapatnam
Date 07 July, 2000

V.S. PRASAD
Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and such proxy or proxies need not be a member or members of the Company. The proxy form duly signed must be deposited at the Regd. Office of the Company not less than 48 hours before the time of holding the meeting.
2. The Share Transfer Register and Register of Members of the Company will remain closed from 22 August, 2000 to 24 August, 2000 (both days inclusive).
3. Any change of address of the Member may please be notified to the Company quoting the Registered Folio.
4. The Company has listed its shares at :
 - (1) The Hyderabad Stock Exchange Limited
3-6-275
Himayat Nagar
Hyderabad - 500 029.
 - (2) The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001.
5. An Explanatory Statement as required by section 173 of the Companies Act, 1956, in respect of special business under item 5 as set out above is annexed hereto.



Alufluoride Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 5

The Board proposes to diversify into the areas of growth for the Company aimed at increasing the shareholders' value. The Board feels that Information Technology offers the best growth potential considering the increased thrust being given for Information Technology by the State and Central Governments. Since the diversification of the Companies Activities into areas of Information Technology is not within the sphere of activities of the Company, it is proposed to amend the Objects Clause to enable the Company to carry on the business of Information Technology.

As per the provisions of section 17 of the Companies Act, 1956, alternation of Objects Clause of the Memorandum of Association of the Company requires the approval of the Shareholders by way of Special Resolution in the General Meeting. Hence, the Board recommends the proposed resolution to be passed as Special Resolution in the best interests of the Company as well as shareholders.

All the Directors are deemed to have been interested or concerned in the proposed resolution to the extent of their share holding.

**By order of the Board
for ALUFLUORIDE LIMITED**

Visakhapatnam
Date 07 July, 2000

V.S. PRASAD
Managing Director

Report  junction.com



Alufluoride Limited

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting their 16th Annual Report together with the Audited statements of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	31-03-2000	31-03-1999
	Rs.	Rs.
Sales and other revenue	789.86	1033.87
Profit before Interest, Depreciation & write offs and Taxation	199.99	317.46
Less : Interest	155.62	194.81
Profit before Depreciation & write offs and taxation	44.37	122.65
Depreciation & write offs	77.95	77.78
Profit/(Loss) before Taxation	(33.58)	44.87
Provision for Taxation	-	4.75
Profit/(Loss) after Tax	(33.58)	40.12
Add : Prior Period Adjustments	-	69.19
Profit/(Loss) after Tax	(33.58)	109.31
Balance brought forward from last year	(170.63)	(279.94)
Surplus/(Deficit) carried to Balance Sheet	(204.21)	(170.63)

OPERATIONS

During the year 1999-2000, the Company registered a production of 2260 MT of Aluminium Fluoride as compared to 2567 MT during 1998-99. Sales value amounted to Rs.786.07 lakhs during 1999-2000 as compared to Rs.1029.61 lakhs during 1998-99. The Company earned a Cash Profit of Rs.44.37 lakhs before Depreciation & Write offs of Rs. 77.95 lakhs

during the year under review as compared to Rs.122.65 lakhs & Rs.77.78 lakhs respectively during 1998-99. The Company incurred a Net Loss of Rs.33.58 lakhs during the year 1999-2000 as compared to Net Profit of Rs.40.12 lakhs during 1998-99. The decline in the Production and Sales are due to the labour disturbance arising mainly from outside interference during May - August, 1999.

DUES TO FINANCIAL INSTITUTIONS

Your Directors report that the operations continue to be effected due to short supply of major raw material - Hydrofluosilicic acid. Due to lower utilisation of the plant capacity, the company has faced severe cash flow problems and is behind in meeting the FI's obligations.

In spite of the difficult cash flow problems, as on 31 March, 2000 the Company has paid Rs. 1430.60 lakhs towards interest & Principal payments as against the term loan disbursement of Rs. 1029.74 lakhs.

Your Directors are further to report that, FI's are charging penal/compound interests & liquidated damages (amounting to Rs. 200.80 lakhs as on 31 March, 2000). The Company is repeatedly requesting FI's for waiver off these charges, and for reduction of rate of interest from 19.5 to 12.5% p.a. Your Directors are hoping that, FI's will sympathetically consider the Company's request at the earliest.

OUTLOOK FOR THE CURRENT YEAR

During the current year, the supply of major raw material - Hydrofluosilicic Acid has improved. Your Directors are hoping of better results during 2000-2001.

ISO 9002

Your Directors are glad to report that the Company has been awarded the coveted ISO 9002 Certificate from Det Norske Veritas, under the accreditation from Raad Voor Accreditatie, The Netherlands. The Company has secured the ISO 9002 for overall quality performance in all spheres. This is an added accreditation for the continued production of high purity Aluminium Fluoride.



Alufluoride Limited

EXPORTS

Your Directors are glad to report that the Company has exported Aluminium Fluoride to Middle East and continues to export to Korea.

INSURANCE

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

DIRECTORS

The following changes have taken place in the Board of Directors of the Company.

The ICICI Ltd. has withdrawn its Nominee Director Sri Kishore A. Kulkarni with effect from 1 May, 2000. Your Directors record their sincere appreciation of the support, guidance and advice received from Sri Kishore A. Kulkarni.

The Company has made a representation to the ICICI to appoint Sri Ravindra Gokhale, Vice President, ICICI, Mumbai who is well aware of the Company's financial position and operational problems etc., in the place of Sri Kishore A. Kulkarni.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sri D.S. Umalkar and Sri M. Balarama Krishnaiah will be retiring by rotation at the Annual General Meeting and are eligible for reappointment.

PARTICULARS OF EMPLOYEES

There are no employees falling within the purview of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

AUDITORS

M/s Rao & Kumar, Chartered Accountants, Visakhapatnam, the Auditors of the Company will be retiring and have conveyed their consent for re-appointment.

ADDITIONAL INFORMATION

Additional Information as required Under Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, a statement containing the particulars relating to conservation of energy, research and development and technology absorption has been given in Annexure I, which forms a part of this report.

Y2K COMPLIANCE

The Company has achieved Y2K Transition without any disruption.

ACKNOWLEDGEMENTS

Your Directors wish to place on record, their appreciation of the valuable assistance, support and cooperation received from ICICI, IDBI, APIDC, and State Bank of India.

Your Directors also appreciate the sincere and efficient services rendered by the Employees of the Company at all levels towards successful working of the Company.

For and on behalf of the Board

V. S. PRASAD
Managing Director

Visakhapatnam
Date 07 July, 2000

M. BALARAMA KRISHNAIAH
Director



Alufluoride Limited

ANNEXURE - 1

Information under Section 217(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Directors) Report for the year ended 31st March, 2000.

1. CONSERVATION OF ENERGY

The Company has adopted various steps to conserve energy and has taken several measures including regular monitoring of consumption and improved maintenance of operations.

Total energy consumption and energy consumption per unit of production as prescribed in Form - A are given below :

A. Power and Fuel Consumption

	01-04-1999 to 31-03-2000	01-04-1998 to 31-03-1999
1. Electricity		
(a) Purchased Unit (KWH)	14,09,074	17,74,091
Total Amount (Rs.)	61,54,054	68,65,323
Rate/Unit (Rs.)	4.36	3.87
(b) Own Generation -		
Through Diesel		
Generator - 380+125 KVA		
- Unit (KWH)	20,957	23,660
Unit per litre of Diesel Oil	4.60	3.20
Cost of Diesel per KWH (Rs.)	3.23	3.30
2. Furnace Oil/L.D.O.		
Quantity (K.Ltrs)	777	1083
Total Amount (Rs.)	61,18,957	56,41,312
Average Rate (Rs.)	7,875	5,209

B. Consumption per Unit of Production

(a) Aluminium Fluoride		
Electricity (KWH)	623	691
Furnace Oil.LDO (K.Ltrs).	0.344	0.42

C. Foreign Exchange Earning

(a) Foreign Exchange earning at FOB Value (Rs.)	45,04,867	23,85,857
(b) Foreign Exchange out go :	—	—
(c) Other (Erection charges & foreign travel etc.) (Rs.)	1,32,913	2,63,899