

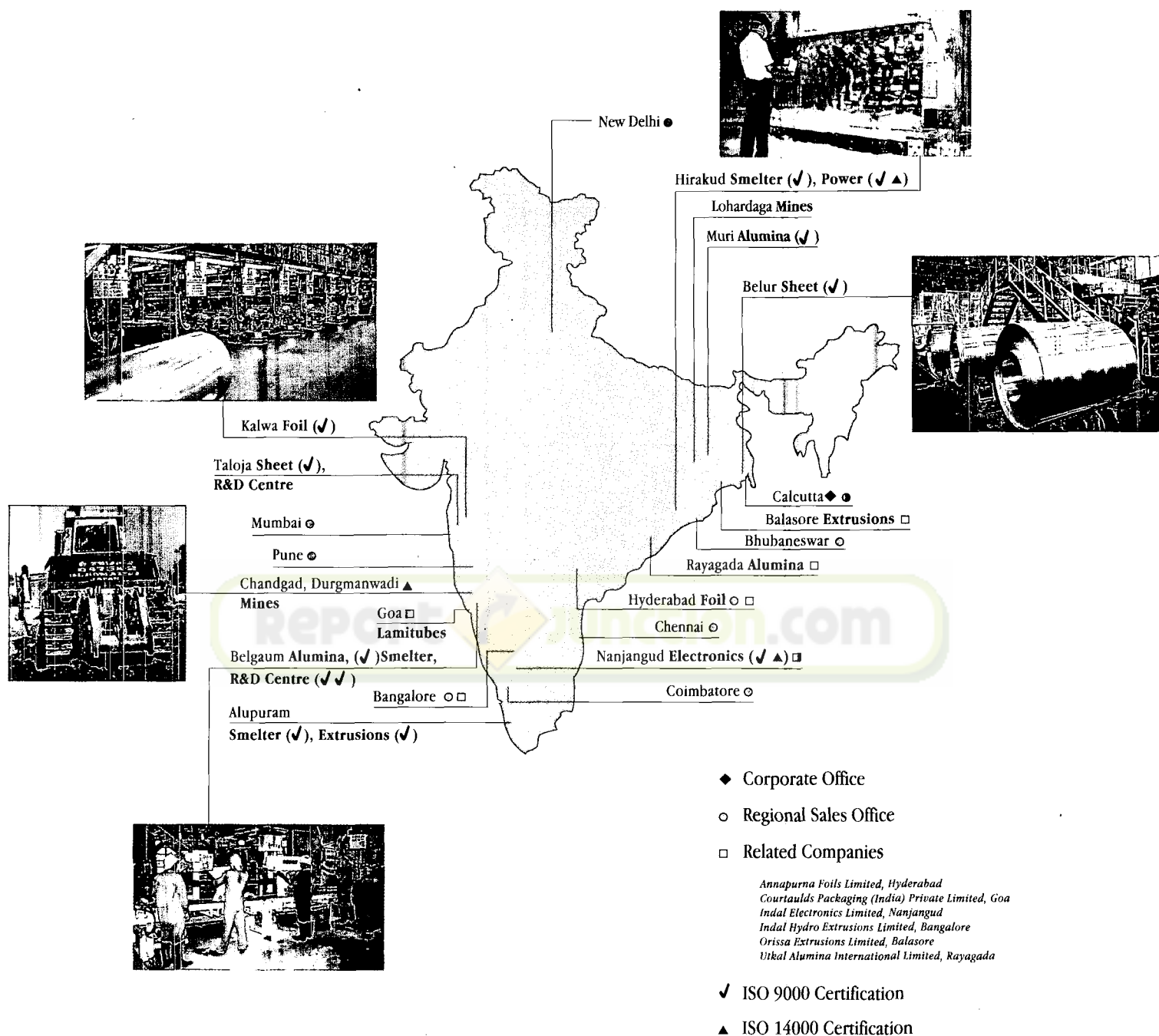


ANNUAL  
REPORT  
1996-97

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**INDAL**

## INDAL IN INDIA



**Registered & Corporate Office :** 1 Middleton Street, Calcutta 700 071. Tel : (033) 240 22 10 **Regional Sales Offices :** **Bangalore** Indal House, 140 Field Marshal K.M. Cariappa Road, Bangalore 560 025. Tel : (080) 558 50 51 • **Bhubaneswar** 1295 Forest Park, Bhubaneswar 751 009. Tel : (0674) 40 81 86 • **Calcutta** 1 Middleton Street, Calcutta 700 071. Tel : (033) 240 22 10 • **Chennai** No. 1, Golden Enclave, 184 Poonamalle High Road, Kilpauk, Chennai 600 010. Tel : (044) 532 32 19 • **Coimbatore** No. 22 Rajkamal Estate (semi basement), 216 Thadagam Road, Coimbatore 641 025. Tel : (0422) 44 44 15 • **Hyderabad** 413A Minerva House, 94 Sarojini Devi Road, Secunderabad 500 003. Tel : (040) 81 00 87 • **Mumbai** Air India Building, Nariman Point, Mumbai 400 021. Tel : (022) 202 35 37 • **New Delhi** UCO Bank Building, Sansad Marg, New Delhi 110 001. Tel : (011) 371 14 11 • **Pune** M-11 Heera Motee Complex, Off Bombay-Poona Road, Wakdevadi, Shivajinagar, Pune 411 003. Tel : (0212) 31 65 28

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**INDAL****Board of Directors**

S.M. Datta<sup>+</sup>  
*Chairman*

T. Mitra<sup>+</sup>  
*Vice Chairman & Managing Director*

P.K. Choksey\*

N.K. Choudhary

R.J. Fox

Brian Sawyer  
*Alternate Director to R.J. Fox*

Lalita D. Gupte\*  
*Nominee of the Financial Institutions*

N.J. Jhaveri

A.L. Mudaliar\*

P.K. Pal

Glenn R. Lucas  
*Alternate Director to P.K. Pal*

D.S. Parekh\*

M. Philip  
*Deputy Managing Director*

J. Sagar

J.S. Salunkhe<sup>+</sup>  
*Nominee of the Financial Institutions*

B.R. Sule<sup>+</sup>

S. Thadhani

J.J. Zbarsky  
*Alternate Director to S. Thadhani*

\* Member of the Audit Committee of the Board

<sup>+</sup> Member of the Personnel Committee of the Board

**Management Committee**

T. Mitra, *Chairman*

M. Philip, *Vice Chairman*

V.K. Bhatnagar

N.K. Choudhary

S. Choudhuri

P.S. Datta

M. George

A. Ray

Vijaya Sampath

P.K. Sen

J. Singh

M.S. Varma

**Officers**

P.S. Datta

Vijaya Sampath

**Auditors**

Price Waterhouse

**Advocates & Solicitors**

Sandersons & Morgans

**Bankers**

ANZ Grindlays Bank p.l.c.

Bank of America National Trust  
and Savings Association

Bank of Baroda

Citibank N.A.

Deutsche Bank

Punjab National Bank

State Bank of India

Syndicate Bank

The Hongkong and Shanghai  
Banking Corporation Limited

Union Bank of India

## Year at a Glance

	1996-97	1995-96
<b>Production (tonnes)</b>		
Semi-fabricated aluminium	74,450	74,518
Alumina hydrate	329,100	306,750
Primary aluminium	37,370	54,084
<b>Sales and Earnings (rupees million)</b>		
Sales and operating revenues	11,556	11,846
of which exports	1,969	1,992
Profit before tax and non-recurring items	603	1,500
Profit after tax	592	1,142
<b>Cost and Expenditure (rupees million)</b>		
Employment cost	981	972
Capital expenditure	1,260	1,061
Research & Development	98	78
<b>Other Information</b>		
Current ratio	2.6:1	2.5:1
Secured term debt : equity	19:81	24:76
Net worth per share (rupees)	89.43	85.02
Earning per share (rupees)	8.32	16.06
Dividend per share (rupees)	4.00	4.00
Return on average equity (%)	9.43	20.27
Interest cover (times)	2.11	3.76
Employees (numbers)	7,699	8,108

*Note : Current year's figures do not include Electronics Business*

# INDIAN ALUMINIUM COMPANY, LIMITED



1 MIDDLETON STREET, CALCUTTA 700 071

TELEPHONE : 240 2210 • TELEX : (021) 4701 • FAX : (033) 240 3964/1922

TELEGRAM : INDALUMIN CALCUTTA

NOTICE is hereby given that the fifty-ninth Annual General Meeting of Indian Aluminium Company, Limited will be held at Kala Mandir, 48 Shakespeare Sarani, Calcutta 700 017, on Friday, 25 July 1997 at 11 a.m. to transact the following as :

## ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31 March 1997 and the Profit and Loss Account for the year ended 31 March 1997, the Reports of the Directors and the Auditors.
2. To declare a dividend for the year ended 31 March 1997.
3. (a) To appoint a Director in place of Mr P.K. Choksey who retires by rotation and, being eligible, offers himself for re-appointment.  
(b) To appoint a Director in place of Mr R.J. Fox who retires by rotation and, being eligible, offers himself for re-appointment.  
(c) To appoint a Director in place of Mr P.K. Pal who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors, fix their remuneration and in connection therewith, to pass, with or without modification, the following resolution as a special resolution :

“RESOLVED THAT, pursuant to Section 224A of the Companies Act, 1956, Messrs Price Waterhouse, Chartered Accountants, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of the fifty-ninth 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 and the Auditors, payable in equal quarterly instalments and reimbursement of out-of-pocket expenses incurred in connection with the audit.”

## SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modification, the following resolutions :

### 5. As an ordinary resolution :

“RESOLVED THAT Mr Narendra Jamnadas Jhaveri be and is hereby appointed a Director of the Company.”

### 6. As an ordinary resolution :

“RESOLVED THAT Mr Jyoti Sagar be and is hereby appointed a Director of the Company.”

### 7. As an ordinary resolution :

“RESOLVED THAT Mr Jagadish Sadashiv Salunkhe be and is hereby appointed a Director of the Company.”

### 8. As an ordinary resolution :

“RESOLVED THAT Mr Nawal Kishore Choudhary be and is hereby appointed a Director of the Company.”

## 9. As an ordinary resolution :

"RESOLVED THAT, pursuant to the provisions of Sections 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent be and is hereby accorded to the appointment of and terms of remuneration payable to Mr Nawal Kishore Choudhary, as set out below, as a Wholtime Director for a period of five years with effect from 29 November 1996 or till such date as he retires from the services of the Company, whichever is earlier, subject to the Articles of Association of the Company :

### Salary

Rs 36,000 per month including dearness and other allowances with such revisions as may be approved by the Board from time to time subject to a maximum of Rs 50,000 per month.

### Commission

Mr N.K. Choudhary will be entitled to commission based on the net profits of the Company in the relevant financial year, as may be determined by the Board, subject to a ceiling of his annual salary and the overall ceilings laid down in Sections 198 and 309 of the Companies Act, 1956.

### Perquisites

In addition to salary and commission, Mr N.K. Choudhary will be allowed perquisites as specified in Categories A, B and C below. The perquisites shall be restricted to an amount equal to the annual salary or Rs 450,000 per annum, whichever is less.

### Category A

#### Housing

Free furnished accommodation, including gas and electricity, with caretaker staff.

#### Medical facilities

Medical expenses for Mr N.K. Choudhary and his family will be borne by the Company as per the Company's Rules. Mr N.K. Choudhary shall also be entitled to medical benefits after retirement/resignation in accordance with the Company's Rules.

#### Leave travel concession

For Mr N.K. Choudhary and his family once a year in accordance with the rules specified by the Company.

#### Club fees

Fees of clubs subject to a maximum of three clubs.

#### Personal accident insurance

Premium not exceeding Rs 4,000 per annum.

For the purposes of Category A, family means the spouse, the dependent children and dependent parents of Mr N.K. Choudhary.

### Category B

Mr N.K. Choudhary will be entitled to retirement benefits as per the Rules of the Company. Contribution to provident fund, superannuation fund or for other retirement benefits will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity will be paid as per the Company's Rules.



Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites/ remuneration.

#### Category C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Mr N.K. Choudhary.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the remuneration and the perquisites from time to time within the limits provided above."

By order of the Board

Vijaya Sampath  
Vice President &  
Company Secretary

19 May 1997

#### Notes :

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the meeting.
2. The Register of Members and the Share Transfer Books will remain closed from 27 June to 25 July 1997, both days inclusive.
3. Payment of final dividend for the financial year 1996-97, declared at the Annual General Meeting, will be made only to those members whose names are registered in the Register of Members of the Company as on 25 July 1997 or to their mandatees. Dividend warrants will be mailed on or about 7 August 1997. Members are requested to notify any change in their addresses and mandates forthwith at the Registered Office.
4. Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends for the financial year ended 31 March 1993 amounting to Rs 823,294 have been transferred to the General Revenue Account of the Central Government on 9 September 1996.
5. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is enclosed.

Members are requested to bring their copies of the Annual Report and Admission Slip to the meeting. Annual Reports will not be distributed at the venue of the meeting.

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

##### Item No. 5

Mr Narendra Jamnadas Jhaveri relinquished office as nominee Director of The Industrial Credit and Investment Corporation of India Limited (ICICI) on 29 November 1996 on appointment of Mrs Lalita D. Gupte in his place. Mr Jhaveri was appointed Additional Director with effect from the same date. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr Jhaveri holds office up to the date of the forthcoming Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, along with a deposit of Rs 500 signifying his intention to propose Mr Jhaveri as a Director of the Company.

Mr Jhaveri is a financial expert and was the Joint Managing Director of ICICI. Having regard to Mr Jhaveri's wide experience of Indian industrial and financial sectors, your Directors consider that it will be in the interest of the Company to appoint him on the Board and recommend the resolution for your approval.

Apart from Mr N. J. Jhaveri, no other Director is concerned or interested in the resolution.

#### **Item No. 6**

Mr Jyoti Sagar was appointed Additional Director of the Company with effect from 29 November 1996. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr Sagar holds office up to the date of the forthcoming Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, along with a deposit of Rs 500 signifying his intention to propose Mr Sagar as a Director of the Company.

Mr Sagar is a well known legal counsel and senior partner of reputed law firms. He is an expert in various aspects of law and your Board feels that the experience of Mr Sagar will strengthen the Board. Your Directors recommend the resolution for your approval.

Apart from Mr J. Sagar, no other Director is concerned or interested in the resolution.

#### **Item No. 7**

Mr Jagadish Sadashiv Salunkhe was appointed nominee Director of the Life Insurance Corporation of India (LIC) with effect from 29 November 1996 in place of Mr G. Chidambar. Since Mr Salunkhe's appointment would be subject to retirement by rotation, he was appointed as Additional Director. In terms of Section 260 of the Companies Act, 1956, Mr Salunkhe holds office up to the date of the forthcoming Annual General Meeting.

A notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, along with a deposit of Rs 500 signifying his intention to propose Mr Salunkhe as a Director of the Company.

Mr Salunkhe was the Chairman of LIC and your Directors feel that the Company will benefit from his advice and guidance. Your Directors recommend the resolution for your approval.

Apart from Mr J. S. Salunkhe, no other Director is concerned or interested in the resolution.

#### **Items No. 8 & 9**

Mr Nawal Kishore Choudhary, President, Chemicals, Metal & Power Business, joined the Company in 1992 as head of Chemicals Business. Prior to that he held senior positions in other large companies in India, both in the private and public sector. Mr Choudhary is an Engineer and under his leadership the Chemicals Business has made noticeable progress. Prior to his current assignment, Mr Choudhary also headed the Utkal Alumina Project being implemented by the Company jointly with Hydro Aluminium a.s. of Norway and Tata Industries Limited. Mr Choudhary's appointment is in keeping with the Company's practice to draw upon the experience of senior executives as members of the Board.

Mr Choudhary, who is in wholtime employment of the Company, was appointed Additional Director with effect from 29 November 1996 on terms and conditions contained in item no. 9. Mr Choudhary holds office up to the date of the forthcoming Annual General Meeting pursuant to Section 260 of the Companies Act, 1956. As per Schedule XIII of the Companies Act, 1956, the appointment of and remuneration payable to Mr Choudhary require approval of the members of the Company.

A notice under Section 257 of the Companies Act, 1956 has been received from a member of the Company, along with a deposit of Rs 500 signifying his intention to propose Mr Choudhary as a Director of the Company.

Your Directors recommend the resolutions for your approval.

This notice may be treated as an abstract under Section 302 of the Companies Act, 1956.

Apart from Mr N. K. Choudhary, no other Director is concerned or interested in the resolutions.