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SUDAL

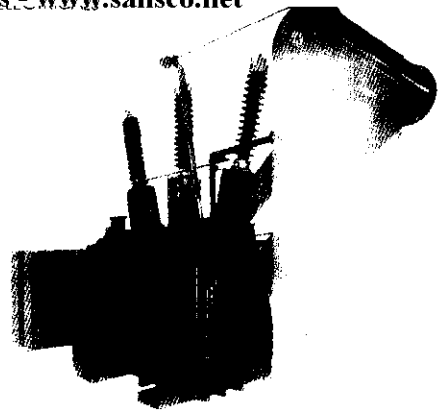
INDUSTRIES LIMITED

(FORMERLY SUDARSHAN ALUMINIUM INDUSTRIES LTD.)

AN ISO 9002 COMPANY



RAILWAYS

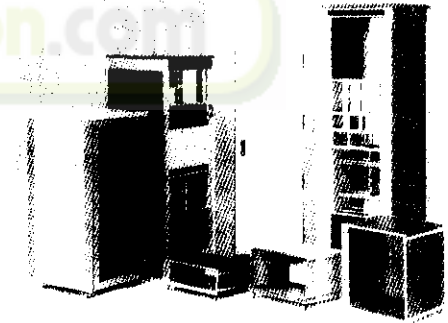


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ELECTRONICS

OFFICE PARTITION



BOARD OF DIRECTORS**Shri Balkrishna Binani****Shri I. C. Jain****Shri C. M. Maniar****Shri Rajendra Somani****Shri Y. M. Shetty**
(Syndicate Bank Nominee)**Shri Deokinandan Ajitsaria****Shri Satyanarayan Saraf****Shri Sudarshan S. Chokhani**
Jt. Managing Director**Shri Shriram C. Chokhani**
Chairman and Managing Director**AUDITORS****Lodha & Company**
Chartered Accountants,
Karim Chambers,
40, Ambalal Doshi Marg,
Mumbai 400 023.**SOLICITORS AND
ADVOCATES****Crawford Bayley & Co.,**
State Bank Building,
N. G. N. Vaidya Marg,
Mumbai 400 023.**BANKERS**

Syndicate Bank

REGISTERED OFFICE26, Nariman Bhavan, 227, Nariman Point,
Mumbai 400 021.
Phone No : 2023845; 2024053.**PLANT**A-5, M.I.D.C. Ambad Industrial Area,
Mumbai-Nashik Highway
Nashik 422 010, Maharashtra.
Phone No : 382396/397.**REGISTRARS AND SHARE
TRANSFER AGENTS**Sharepro Services, 912, Raheja Centre,
Nariman Point, Mumbai 400 021.
Members' Register, Index etc.
are kept only at the office of
Registrars and Share Transfer Agents,
M/s. Sharepro Services
Tel No. 8348218/8329828

Request to Members

Annual Reports will not be distributed at the Annual General Meeting in view of the high cost of paper and printing. Members are, therefore, requested to bring their copies of the Annual Report to the Meeting.



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty-first ANNUAL GENERAL MEETING of the members of SUDAL INDUSTRIES LIMITED will be held on 22nd September, 2000 at 11.00 a.m. at the Walchand Hirachand Hall, The Indian Merchants' Chambers, Near Churchgate Station, Mumbai - 400 020 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, Audited Statement of Profit & Loss Account for the year ended 31st March, 2000 and Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in the place of Shri Balkrishna Binani, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Shri Rajendra Somani, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. LODHA & COMPANY, Chartered Accountants, are eligible for reappointment.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 269, 309, 311 and Section 198(4) as and when applicable and other provisions, if any, of the Companies Act, 1956 and subject to approval of the Central Government, the Company hereby approves of the terms of the reappointment and remuneration including minimum remuneration to Shriram C. Chokhani, who has been reappointed by the Board of

Directors, as the Managing Director of the Company for a further period of five years from the date of expiry of his present terms of office viz. from 01/11/2000, upon the terms and conditions set out in Explanatory Statement, with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment in such manner as may be agreed to between the Central Government and the Board of Directors of the Company and acceptable to Shri Shriram C. Chokhani.

NOTES :

- a) An explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business under Item No. 5 set out above, is annexed hereto.
- b) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of him. A proxy need not be a member.
- c) Proxies in order to be effective must be received by the Company and not less than 48 hours before the meeting duly Stamped, Completed and Signed.
- d) The Register of members and the share transfer register of the company will remain closed from 14/09/2000 to 22/09/2000 (both days inclusive).

By order of the Board

K.G. INAMDAR

VICE PRESIDENT (CORPORATE SERVICES) &
COMPANY SECRETARY

REGISTERED OFFICE:
26, NARIMAN BHAVAN,
227, NARIMAN POINT,
MUMBAI - 400 021.

Place : Mumbai

Dated : 28th June, 2000.

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

Item No. 5.

Shri Shriram C. Chokhani is the Managing Director of the Company, whose term of appointment as Managing Director is expiring on 31/10/2000.

Despite the various unforeseen constraints faced by the Company, due to his perseverance and efforts, the Company could pass through the difficulties. The Board of Directors, in view of his undoubted sincerity and ability and having wide and varied experience in the field of Aluminium, decided to reappoint him as the Managing Director of the Company.

His association with the Company as Managing Director will be beneficial to the Company.

THE DRAFT AGREEMENT to be entered into between the Company and Shri Shriram C. Chokhani *inter alia*, contain the following terms and conditions.

1. Period : 5 years from 01/11/2000
2. Salary : Rs. 57,000/- per month.

3. PERQUISITES:

Provident Fund Superannuation Fund or Annuity Fund:

1. Company's contribution towards Provident Fund as per Rules of the Company, but not exceeding 10% of the salary as laid down under Income Tax Rules, 1962. Contribution to P.F., superannuation fund or annuity fund will not be included in the computation of the perquisites to the extent these either singly or partly together are not taxable under the Income Tax Act.
2. Company's contribution towards pension, superannuation fund and group insurance scheme as per rules of the Company but Company's contribution to scheme together with Company's contribution to the provident Fund shall not exceed 25% of the salary as laid down under the Income Tax Rules, 1962.

GRATUITY:

Not exceeding one half months' salary for each completed year of service, subject to a maximum of Rs. 3,50,000/- or 20 months' salary whichever is less.

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 are allowed.

Reimbursement of all entertainment, travelling and out of pocket expenses actually and properly incurred for the business of the Company.

The remuneration of Rs. 57,000/- per month excluding expressly the benefits and amenities aforesaid shall be paid and allowed as the minimum remuneration for any year in case of absence or inadequacy of profits for each year.

The Managing Director shall not be entitled to fees payable to Directors for attendance at Board Meetings or Meeting of any Committee appointed by the Board.

If at any time, the Managing Director ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director.

The Agreement to be entered into may be terminated by either party by giving to the other party three months' notice of such termination.

This may also be treated as an abstract of the Agreement to be entered into between Shri Shriram C. Chokhani and the Company pursuant to Section 302(2) & (7) of the Companies Act, 1956.

Shri. Shriram C. Chokhani is interested in the Resolution.

Shri Sudarshan C. Chokhani, Shri S. N. Saraf and Shri D. N. Ajitsaria, Directors of the Company may be deemed to be interested as they are related to Shri Shriram C. Chokhani.

None of the other Directors is, in any way, concerned or interested in this resolution.

The Resolution is commended for your consideration.

BY ORDER OF THE BOARD

KIRAN G. INAMDAR

VICE PRESIDENT (CORPORATE SERVICES) &
COMPANY SECRETARY

REGISTERED OFFICE:

26, NARIMAN BHAVAN,
227, NARIMAN POINT,
MUMBAI - 400 021.

Place : Mumbai

Dated : 28th June, 2000.



DIRECTORS' REPORT TO THE MEMBERS

Dear Members,

Your Directors hereby present the 21st Annual Report and Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS :

	For the year ended 31.03.2000 (Rs. in Lakhs)	For the year ended 31.03.1999 (Rs. in Lakhs)
Sales and Income from Operations	2472.29	2531.37
Other Income	4.24	1.07
	2476.53	2542.43
Profit before interest and depreciation	87.53	99.73
Interest	188.91	176.54
Depreciation	20.16	21.21
Profit/(Loss)	(121.54)	(98.02)
Add(+)/Less(-): Prior year adjustment (Net)	(—) 1.00	(+) 3.55
Less: Investment Allowance Reserve Written Back	—	0.71
Net Profit/(Loss)	(122.54)	(100.86)

During the year under review, the factors like intensive competition, uneconomic selling prices and non-achievement by the workers of minimum level of production & productivity as agreed to and provided in the Agreement have adversely affected company's operations.

The margins were affected mainly by pressure on selling prices because of increased competition and increasing costs of production which could not be passed on apart from the delay in payment and non-reimbursement of interest by the customers.

Due to accumulated losses, the Directors regret their inability to declare any dividend.

PROSPECTS :

Though the Economy and Industrial Production as per various studies is showing a sign of recovery, it has yet to appreciably reflect in improving the ordering level from certain sectors to whom the company is catering.

The company enjoys continued patronage from customers due to its commitment for customers' satisfaction and delight by sustained efforts to provide quality products, timely delivery and service.

DIVERSIFICATION & NEW VALUE ADDED PRODUCTS:

The Company has developed extruded sections and supplying regularly for many new applications.

REFERENCE TO BIFR:

The provisions of Sick Industrial Companies (Special Provisions) Amendment Act, 1993 have now become applicable to the Company and, therefore, the Company shall make reference to the Board for Industrial & Financial Reconstruction as required under the Act.

TOTAL QUALITY MANAGEMENT :

The Company is using its best endeavours to achieve Total Quality Management and accordingly ISO 9002 Certificate has been renewed for three years. The company is in initial process of installing quality systems as per QS 9000.

INDUSTRIAL RELATIONS :

The workers had resorted illegal strike for about 1 month during the year under review. Now the company has entered into a fresh 3 years production linked Agreement.

CONSERVATION OF ENERGY :

Particulars are given in Annexure — 'A'.

TECHNOLOGY ABSORPTION :

Details are given in Annexure 'B'.

INSURANCE :

All moveable and fixed assets (on revalued basis) are adequately insured.

STATUS ON THE Y2K PREPAREDNESS LEVEL :

The Company's Hardware/Software Systems are all Y2K Compliant.

DIRECTORS :

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sarvashri B. K. Binani and Rajendra Somani retire by rotation and, being eligible, offer themselves for reappointment.

The members' approval is being sought for the reappointment of Shri Shriram C. Chokhani as the managing Director of the company, the terms of his reappointment and the remuneration payable to him are subject to the approval of the Central Government.

PARTICULARS OF EMPLOYEES :

Particulars of the Employees, required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, are furnished in the Annexure 'C' to the Report.

AUDITORS' REPORT :

The observations of the Auditors in their report on Accounts read with the relevant Notes are self explanatory.

AUDITORS :

The retiring Auditors, Lodha & Company, Chartered Accountants, have indicated their willingness to continue in Office and are recommended for reappointment for the ensuing year.

COST AUDIT :

According to the Central Government's directive, the Company has appointed Mr. Narottam L. Tola, Cost Accountant as Cost Auditor for the Audit of Cost Accounts maintained by the Company under the applicable provisions of the Companies Act, 1956.

ACKNOWLEDGEMENTS :

The Directors record their deep sense of gratitude to the Financial Institutions (ICICI, IDBI, IFCI, and SICOM), more particularly to its Bankers — Syndicate Bank, and HINDALCO, to all customers and to NALCO and other suppliers, Government Authorities, to such employees who have dedicated themselves to improve the operations of the Company and above all to the Shareholders.

For and on behalf of the Board

Place : Mumbai

SHRIRAM C. CHOKHANI

Dated : 28th June, 2000

Chairman & Managing Director



ANNEXURE 'A'

- A) Measures taken to conserve energy:
 [i] Reduced Chimney Opening to reduce heat loss thereby reduction in oil consumption [ii] Introduced Heating/Pumping Unit and Day Tank near Furnace to reduce heat loss of heated oil. Main Oil Tank Heating Unit disconnected thereby reducing energy as well as oil consumption [iii] Homogenising of specific alloy Billets instead of Billets of all alloys [iv] Plugged air leakage points thereby increased compressor unloading time [v] Cooling Pipe Line to Press and Billet Heater modified to reduce power consumption and water consumption [vi] Continuous monitoring of power/oil is in progress for further improvement.
- B) Additional investment proposed:
 [i] Recuperator on melting furnace as recommended by PCRA.
 [ii] To instal new design submersible pump.
- C) Impact of (A) & (B) above:
 Will reduce oil/water and power consumption.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption	Current year 1999-2000	Previous year 1998-99
1. Electricity		
(a) Purchased Units	33,53,471	46,02,056
Total Amount (Rs).	149,86,116	193,02,951
Av. Rate/Unit (Rs).	4.47	4.20
(b) Own Generation	Nil	Nil
(i) Through Diesel Generator		
Units/Ltrs. of Diesel Oil		
Costs/Units (Rs).	Nil	Nil
(ii) Through Steam Turbine/Gas Unit.		
Unit per ltr. of Fuel	—	—
Oil/Gas	—	—
Cost/Unit	—	—
2. Coal (Specify quality and where used)	Nil	Nil
Quantity (Tonnes)	—	—
Total Cost	—	—
Average Cost	—	—
3. Furnace Oil		
Quantity (Ltrs.)	4,05,400	6,44,882
Total Amount (Rs.)	37,43,470	38,47,990
Average Rate (Rs./Ltr.)	9.23	5.97
4. Other (Internal Generation)	Nil	Nil
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate/Unit	Nil	Nil
B. Consumption per ton of production		
Electricity (Units)	1,609.31	1,974.29
Furnace Oil (Ltrs.) (for casting)		
Aluminium Billets	141.09	155.71
Alloy	—	—
Coal (Specify quality)	Nil	Nil
Others (Specify)	Nil	Nil

ANNEXURE 'B'**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION OF RESEARCH & DEVELOPMENT (R&D).**

1. Specific Area in which R&D carried out by the Company : R&D activities of the Company are being continued towards energy conservation, cost reduction, improvement of recovery by improved process control and process development, product development of new uses in domestic as well as foreign market, import substitution.
2. Benefit derived as a result of R&D : i) New intricate sections developed for new end uses.
ii) Defect free Ultrasonically Tested Billet developed and supplied for specific end uses.
iii) New customers developed for Automobile Sector (Car).
3. Future plan of action : a) COMMERCIALISE :
i) The truck body kits, Architectural Systems and Auto Components.
ii) Larger size sections & Billet Casting Technology
b) To develop Sections & Billets for new end uses and,
c) To continue R&D work on above areas for cost reduction by:
i) Re-engineering.
ii) Improving recovery.
iii) Process improvement/Upgradation.
4. Expenditure in R&D : a) Capital Rs. Nil
b) Recurring Rs. 3.91 Lakhs
c) Total Rs. 3.91 Lakhs
d) Total R&D expenditure as a percentage of turnover 0.15% (approx.)