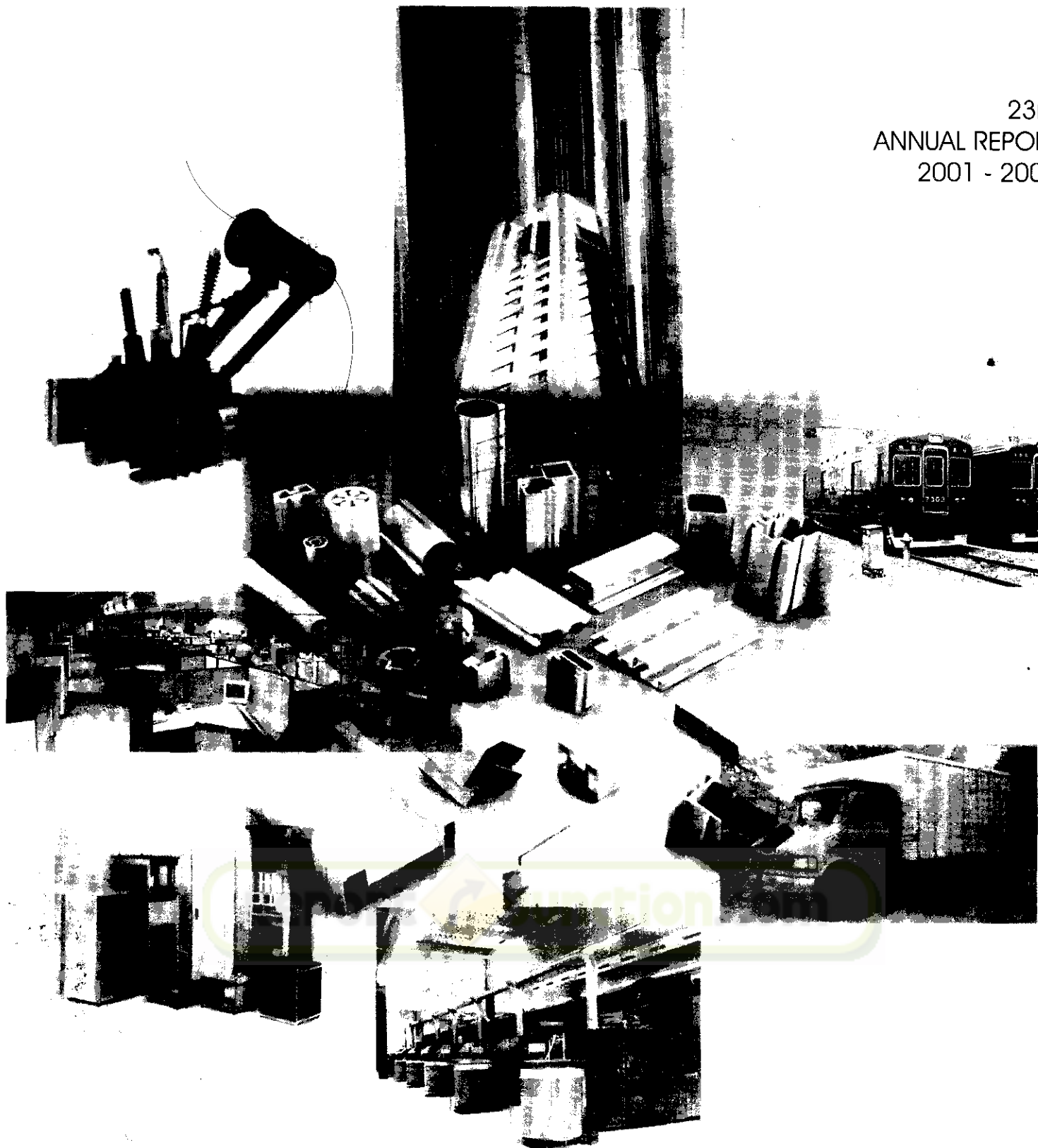





23rd
ANNUAL REPORT
2001 - 2002



SUDAL
INDUSTRIES LIMITED
(FORMERLY SUDARSHAN ALUMINIUM INDUSTRIES LTD.)
AN ISO 9002 COMPANY



LICENCE FOR THE QUALITY SYSTEMS CERTIFICATION
(Accredited by Raad voor Accreditatie, Netherlands)

Licence No. OSC/L-000930.2

1. By virtue of the power conferred on it by the Bureau of Indian Standards Act, 1986 (63 of 1986), the Bureau hereby grants to **M/s Sudal Industries Ltd, A-5 MIDC Ambad Industrial Area, Mumbai-Vasik Highway, Vasik - 422010** hereinafter called the Licensee the right and licence to be listed in the Bureau's register of Licensees of Quality Systems Certification in respect of the products or processes particularly described in the schedule hereto, bearing the same number as this licence. Such products shall be manufactured by the Licensee at only the address(es) given above and under the Quality System in accordance with **IS/ISO 9002:1994**.

2. The licence is granted subject to the relevant provisions of the above Act and the rules and regulations made thereunder governing the licensees referred to above, and the licensee hereby covenants with the Bureau duly to observe with the said Rules and Regulations.

3. This licence shall be valid from **01 Nov 2000 to 31 Oct 2003** and may be renewed as prescribed in the Regulations.

Signed, Sealed and Dated this **Twentythird** day of **November, Two Thousand**

DIRECTOR GENERAL
for BUREAU OF INDIAN STANDARDS


Schedule to Licence No. OSC/L-000930.2
Grant to **M/s Sudal Industries Ltd, Vasik - 422010**

SCHEDULE

Product/processes with respect to which the licence has been granted for granting of Quality Systems Certification
Manufacture and Supply of Extruded Aluminium and Aluminium Alloys and Aluminium Alloy Ingots

DIRECTOR GENERAL
for BUREAU OF INDIAN STANDARDS

PHONE
TELEPHONE
NO. 266-1966-1968
TELEGRAMS: BANC-MUMBAI CHAMBER
FAX NO. 266-1966-1968
FAX NUMBER: 91-22-5606151


 गणराज्य
भारत सरकार
GOVERNMENT OF INDIA
भाषा परमाणु अनुसंधान केन्द्र
BHABHA ATOMIC RESEARCH CENTRE
Atomic Fuels Division

VG Date,
Head, Atomic Fuels Division

RECEIVED MUMBAI 2/11/00

Dear Sirs (Chokhani),

We are pleased to intimate that M/s Sudal Industries Ltd., have successfully developed and supplied to BARC various aluminium sections meeting our stringent dimensional and NDT requirements. These sections are being used as critical components in our research reactors and have been produced individually for the first time. This involved considerable interaction between M/s Sudal & AFD, BARC at every stage of fabrication. Efforts had to be put in by M/s Sudal Ltd in developing the special section and for improving the yield.

We would like to thank and congratulate the management and all the staff members of M/s Sudal Industries Ltd. for their co-operation and hard work and for their same co-operation in future.

With best regards,

(Signature)
(Name)
(Designation)

Shri Ram C. Chokhani,
Chairman & Managing Director,
M/s Sudal Industries Ltd.,
26, Narayan Bhawan, 27, Narayan Point,
Mumbai-400 021


VIP INDUSTRIES LTD.
Self Certification awarded to
M/s. Sudal Industries Ltd

We are pleased to inform you that you are enlisted as
Self Certified Vendor
for **Aluminium Extrusion**.

We would like to convey our appreciation for the hard work and
dedication in ensuring
Quality at Source
that you have so successfully exhibited

(Congratulations)
This certificate is valid, subject to continued satisfactory compliance to
the quality requirements, and is valid for a period of three years from
1st April 2000.
Presented by
Mr. P.K. Ramakrishnan
Executive Director

September 3, 2000


 Authorised Signatory

**BOARD OF DIRECTORS****Shri C. M. Maniar****Shri B. S. Murthy**

(Syndicate Bank Nominee)

Shri Deokinandan Ajitsaria**Shri Satyanarayan Saraf****Ms. Sheetal S. Chokhani**

(Addl. Director w.e.f. 18/1/02)

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.

Report

**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.



SUDAL INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS:

Notice is hereby given that the 23rd ANNUAL GENERAL MEETING of the Members of SUDAL INDUSTRIES LIMITED will be held on 22nd August, 2002 at 10.45 a.m. at the Walchand Hirachand Hall, The Indian Merchants' Chamber, 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, 2002 and Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in the place of Shri. S. N. Saraf, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Shri. S. S. Chokhani, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. LODHA & COMPANY, Chartered Accountants, are eligible for re-appointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Ms. Sheetal Chokhani be and is hereby appointed as a Director of the Company liable to retire by rotation.

Notes:

- (A) AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956, IN

RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NO. 5 ABOVE SET OUT, 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 14/08/2002 TO 22/08/2002 (BOTH DAYS INCLUSIVE).
- (E) THE COMPANY'S ISIN HAS BEEN MADE LIVE IN THE CDS SYSTEM WITH CENTRAL DEPOSITORY SERVICES (INDIA) LTD. WITH EFFECT FROM 08/06/2001. ISIN ACTIVATION: ISIN-INE618D01015 AND ESTEEMED SHARE-HOLDERS CAN START DEMATERIALISATION OF THEIR SECURITIES.

By Order of the Board

KIRAN G. INAMDAR,
Company Secretary

Regd. Office:
26, Nariman Bhavan,
227, Nariman Point,
Mumbai-400 021.

Place : Mumbai
Dated : 22nd June, 2002.

ANNEXURE TO NOTICE:

Explanatory Statement as required under section 173(2) of the Companies Act, 1956.

Item No. 5:

Ms. Sheetal S. Chokhani was appointed as Additional Director of the Company by Board of Directors at its meeting held on 31/01/2002 w.e.f 18/01/2002.

Pursuant to Section 260 of the Companies Act, 1956 the above Director will hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received Notice in writing from Member under Section 257 of the Companies Act, 1956 together with the required deposit signifying his intention to propose the appointment of Ms. Sheetal S. Chokhani as an Additional Director of the Company liable to retire by rotation.

Ms. Sheetal S. Chokhani is in final year of Commerce graduation. She is not having any other Directorship. Her appointment is proposed to ensure proper constitution of the Board which also would eventually take

care while constituting various committees to comply with Listing Agreement of the Stock Exchanges and SEBI guidelines. Sarvashree Shriram C. Chokhani, Sudarshan S. Chokhani, S. N. Saraf and D. N. Ajitsaria are interested in this Resolution.

The Board recommends this Resolution for your approval.

By order of the Board

KIRAN G. INAMDAR,
Company Secretary

Regd. Office:
26, Nariman Bhavan,
227, Nariman Point,
Mumbai-400 021.

Place : Mumbai
Dated : 22nd June, 2002.

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SUDAL INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS,

Dear Members,

Your Directors hereby present the 23rd Annual Report and Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS:

	For the year ended 31.03.2002 (Rs. in Lakhs)	For the year ended 31.03.2001 (Rs. in Lakhs)
Net Sales & Income from Operations	1537.99	2512.96
Other Income	0.42	4.38
	1538.41	2517.34
Profit/(Loss) before Interest & Depreciation	(135.84)	82.19
Interest	211.53	209.18
Depreciation	14.28	17.41
Profit/Loss	(361.65)	(144.40)
Add (+)/Less(-): Prior year adjustment (Net)	(1.99)	10.88
Less: Investment Allowance Reserve Written Back	—	—
Net Profit/Loss	(363.64)	(133.52)

During the year under review, the Company's operations were affected mainly because of illegal strike resorted by the workmen during the first quarter of the year inspite of agreement signed in conciliation was in force and Industrial Court Order was in operation. The workmen after getting the benefits of the Agreement changed the Union and joined Nashik Workers Union (affiliated to CITU). As per the Agreement, besides normal wages, the workmen were entitled to get production-linked increase in wages which they demanded irrespective of increase in production. Apart from the above, the workmen resorted to go-slow and sudden illegal strike with effect from 21/03/2001 till 25/06/01 and earlier 3 days in February '01 due to indefinite strike called by CITU in Sinnar-Nashik Industrial Belt.

With the intervention of the Govt. Authorities and the negotiation with the Union, the said illegal strike was called off and workmen resumed their duties with effect from 26/06/01.

Consequently, it had a multiplier effect on the output and cash flow which resulted into inadequate flow of metal, apart from cut-throat competition due to which the selling prices continued to remain uneconomic during the year.

On the other hand, the company could not pass on all the increases in costs of production to the selling price. The delay in payment by the customers over the agreed terms have added to the interest burden because of non-reimbursement of interest by the customers.

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

CURRENT YEAR & PROSPECTS:

This year from April onwards, many of the Secondary Extruders, after sustaining continued operational losses, are now realising that selling at unremunerative prices is

not in the interest of themselves and the Industry. Therefore, the selling prices are now being rationalised and increased which would help the company to increase its selling prices, thus to consolidate and improve its working position.

Your company's order position has been generally good. However, with the likely improvement in the economy and industrial production, particularly in your company's customers user sectors like Transport, Electrical Equipment, Architecture and more so in Consumer Durables, will give further lift to increase the order position. CII survey finds quantum leap in business confidence and expects fresh capital investment as also ASCON survey finds demand recovery in basic goods.

It is the privilege of the Company that it enjoys continued goodwill and patronage of very reputed and well established and multinational industrial consumers because of locational advantage and company's dedication for customer satisfaction and customer delight by sustained efforts to provide quality, timely delivery and service.

The Company's Bankers, Syndicate Bank, has submitted a mutually agreed Rehabilitation Package to BIFR and released Working Capital facilities to the Company. The company has approached Syndicate Bank for sanctioning balance Non-fund based limits as also inter-changeability of Fund based limit into Non-fund based limit for getting more raw material.

DIVERSIFICATION & NEW VALUE ADDED PRODUCTS:

The company has developed Extruded Sections for sophisticated end users like BARC, HAL, etc. and also in down stream activities by manufacturing Fabricated Components, Truck Body Kits, etc. which give more value for its extruded product. The company is also following up with various end users for manufacturing and supply of transport systems to esteemed customers like Telco, Ashok Leyland, Eicher Motors, etc. besides Irrigation Systems.

REFERENCE TO BIFR:

As per the directive of BIFR, a mutually agreed Rehabilitation Package by the Company and Syndicate Bank has been submitted to BIFR by the bank and intimation from BIFR in respect of having taken the same on record and allowing the company reasonable time to make its Net Worth exceed the accumulated losses on its own u/s 17(2) of the Act is awaited.

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 progressing in installing quality systems as per QS 9000.

INDUSTRIAL RELATIONS:

To make rehabilitation proposal successful, the workmen have given assurance that they will provide all assistance and co-operation to the company for increasing the production and to make the company viable and also implement the agreement signed in conciliation.

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.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed.
- (b) appropriate accounting policies have been selected and applied consistently and judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2002 and of the Loss of the Company for the year ended 31st March, 2002.
- (c) proper and sufficient care have been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the annual accounts have been prepared on a going concern basis.



SUDAL INDUSTRIES LIMITED

DIRECTORS:

In terms of the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Sarvashri S. N. Saraf and S. S. Chokhani retire by rotation and, being eligible, offer themselves for reappointment.

Miss. Sheetal S. Chokhani was appointed as Additional Director of the Company w.e.f. 18/01/2002. She holds the office of Director upto the forthcoming Annual General Meeting. Necessary Resolution seeking your approval for her appointment as a Director is set out in the notice convening forthcoming Annual General Meeting.

PARTICULARS OF EMPLOYEES:

No employee is falling within the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988.

AUDITORS' REPORT:

The observations of the Auditors in their report on Accounts read with the relevant Notes [No. 3 and 5(b) of Schedule 20] 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 its Bankers — Syndicate Bank, and HINDALCO, and other suppliers, customers, Government Authorities, to such employees who have dedicated themselves to improve the operations of the Company and above all to the Shareholders.

For and on behalf of the Board,

SHRIRAM C. CHOKHANI,
Chairman & Managing Director

Place : Mumbai

Dated : 22nd June, 2002

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ANNUAL REPORT 2001-2002

ANNEXURE - A

(A) Measures taken to conserve energy:

- (i) Plugged all compressed air leakages (ii) Fitted recuperator on one furnace (iii) Interlocked homogenising furnace and ageing furnace to control maximum demand (iv) Added capacitor bank to improve power factor (v) Fitted transparent sheets to reduce daytime lighting.

(B) Additional Investment Proposed:

- (i) To introduce small compressors equipmentwise instead of one big compressor (ii) Introduce conserve-air of Godrej & Boyce for further conservation of compressed air (iii) Change Billet heater control into PLC control.

(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.

	Current Year 2001-02	Previous Year 2000-01
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units	26,44,904	36,62,098
Total Amount (Rs.)	1,20,59,363	1,57,36,124
Av. Rate/Unit (Rs.)	4.56	4.30
(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.)	3,90,300	4,97,980
Total Amount (Rs.)	38,43,714	52,58,659
Average Rate (Rs. Ltr.)	9.85	10.56
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)	1,745.21	1,595.02
Furnace Oil (Ltrs.) (for casting)		
Aluminium Billets	191.92	157.47
Alloy	—	—
Coal (Specify Quality)	Nil	Nil
Others (Specify)	Nil	Nil