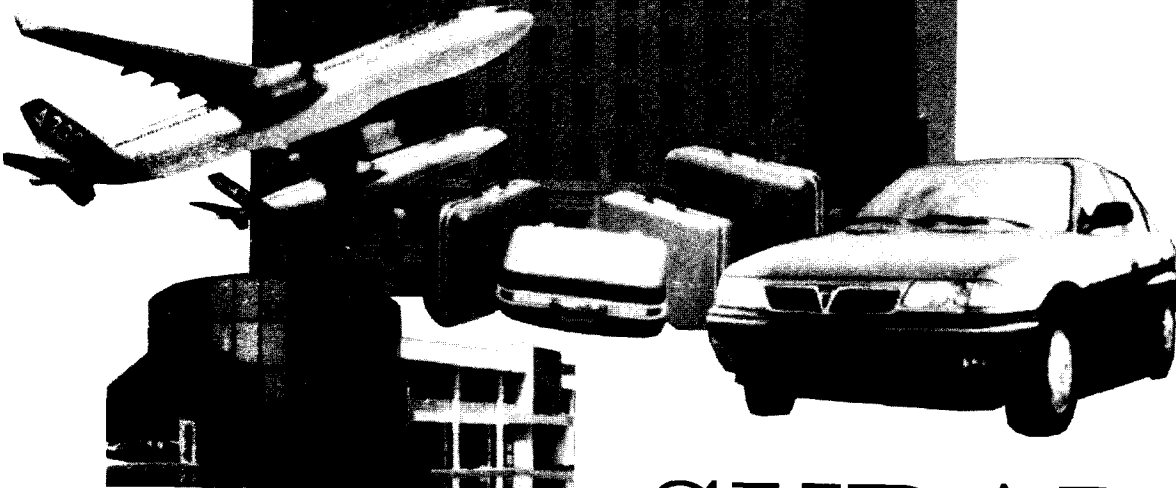


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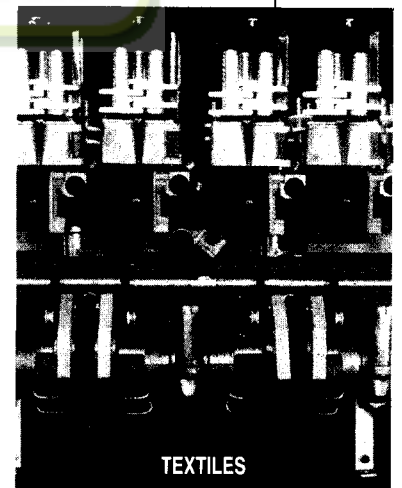
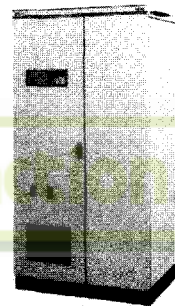
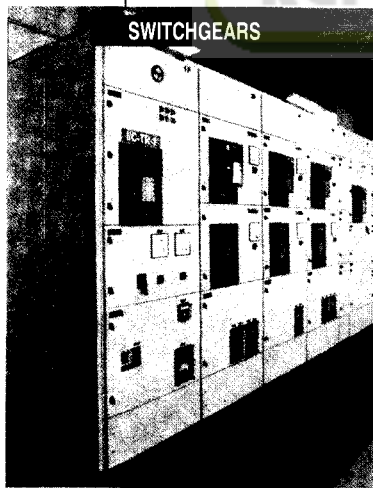
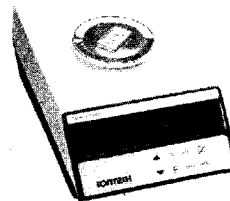
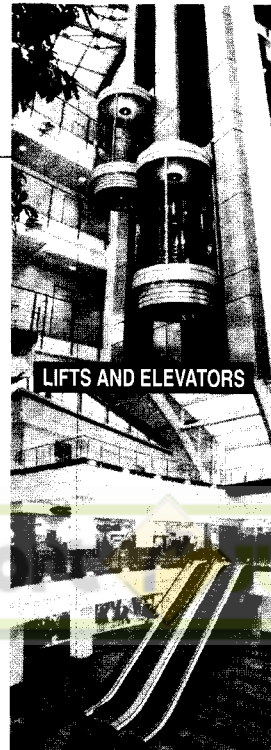
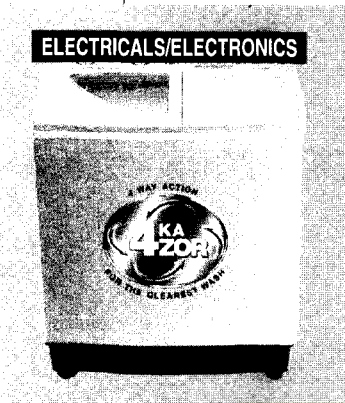
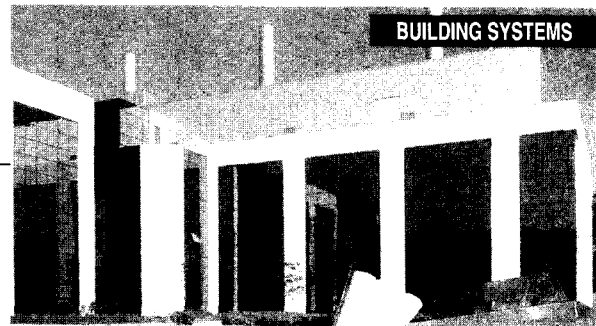
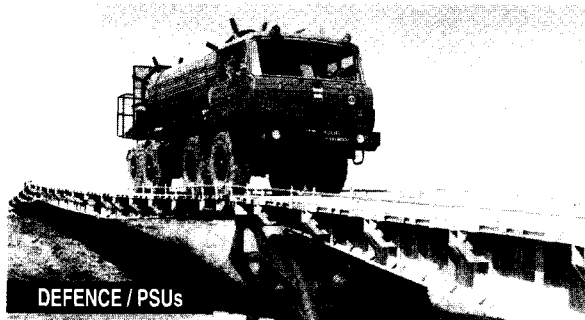


SUDAL
INDUSTRIES LIMITED

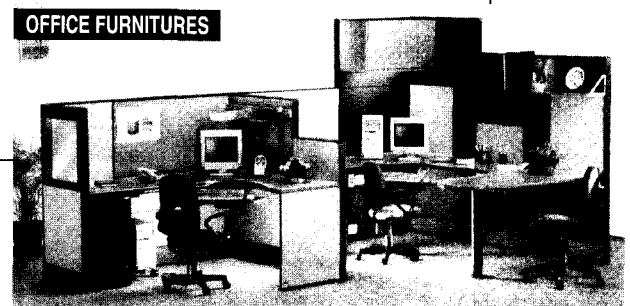
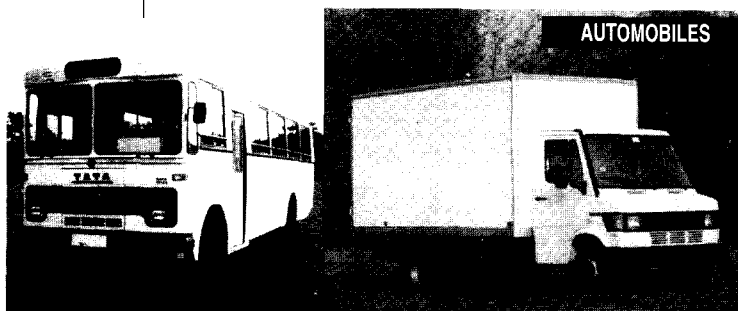


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SOME OF THE END USES



**BOARD OF DIRECTORS****Shri C. M. Maniar****Shri S. R. Malhotra**

(Syndicate Bank Nominee w.e.f. 21/12/03)

Shri R. Chandrasekar

(Syndicate Bank Nominee w.e.f. 26/07/02 – 2/07/03)

Dr. V. A. Joseph

(Syndicate Bank Nominee – 3/07/03 – 20/12/03)

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.**BANKERS**

Syndicate Bank

REGISTERED OFFICE26, Nariman Bhavan, 227, Nariman Point,
Mumbai 400 021.
Phone No. : 22023845; 22024053.**PLANT**A-5, M.I.D.C. Ambad Industrial Area,
Mumbai-Nashik Highway
Nashik 422 010, Maharashtra.
Phone No. : 2382396/397.**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. 28348218/28329828**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 25th ANNUAL GENERAL MEETING of the Members of SUDAL INDUSTRIES LIMITED will be held on 22nd September, 2004 at 11.45 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, 2004 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 reappointment.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as "Special Resolution".

"RESOLVED THAT in terms of provisions of Section 146(2) of the Companies Act, 1956, the Board of Directors be and is hereby authorized to change/shift Registered office of the company from existing place at 26, Nariman Bhavan, 227, Nariman Point, Mumbai - 400 021 to its factory place at A-5, Ambad Industrial Area, Mumbai-Nashik Highway, Nashik - 422 010, having same jurisdiction of Registrar of Companies, within the state of Maharashtra.

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a "Special Resolution".

RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 1956, provisions of the Securities Exchange Board of India (Delisting of Securities) Guidelines, 2003 and other applicable laws or enactment thereof and subject to such conditions as may be agreed to by the Board of Directors of the company including committee

thereof, consent of the company be and is hereby accorded to the Board of directors to delist the Equity Shares of the company from the stock exchange at Ahmedabad.

RESOLVED FURTHER THAT the Board of directors be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorize any of its committees or any of the directors or company secretary of the company to do all such acts, deeds or things to give effect to the aforesaid resolution".

Notes:

- (A) AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956, IN RESPECT OF THE SPECIAL BUSINESS UNDER ITEM NOS. 5 & 6 ABOVE SET OUT, IS ANNEXED HERETO. A SEPERATE NOTICE FOR ITEM NO. 5 IS SENT ALONGWITH ANNUAL REPORT FOR THE PURPOSE OF POSTAL BALLOT.
- (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 15/09/2004 TO 22/09/2004 (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 DEMATERIALISE 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, 2004.

ANNEXURE TO NOTICE:

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

Item No. 5:

At present the Company's Registered Office is situated at Mumbai in the State of Maharashtra.

To make the functioning compact and economical, under present situation, it is intended to consolidate the operations of the company for more effective coordination.

For shifting the Registered Office within the State of Maharashtra but beyond local limits, it is required to obtain shareholders' approval by way of Special Resolution pursuant to Section 146 of the Companies Act, 1956.

None of the Directors of the company is interested in this Special Resolution.

Further, the shifting of Registered office from one local limit of the city, town or village where it is now situated to another city, town or village, as envisaged, the proviso of Section 146(2) of the Companies Act, 1956 is applicable, and it is one of the items prescribed by Section 192A of the Companies Act, 1956 which requires the resolution to be passed by postal ballot.

Item No. 6:

The Equity Shares of the company are presently listed on the stock exchanges at Mumbai and Ahmedabad.

It has been observed that the trading in company's equity shares mostly takes place on BSE, because of expansion of BSE and its extensive networking. The investors/members have access to on-line dealings in

the company's equity shares on the trading terminals provided by BSE. Therefore the investors or the shareholders of the company do not get any added privilege by continuing the listing of the shares on Ahmedabad stock exchange, but the company's work of compliances, reporting and approvals under the listing agreement get duplicated.

Since SEBI has issued guidelines permitting the companies for voluntary delisting of the equity shares where the companies have multiple listing provided that shares are listed at least one or more stock exchanges having nationwide trading terminals, the company proposes to continue the listing of company's equity shares only at BSE and to delist the same from stock exchange at Ahmedabad.

Under the SEBI (Delisting of Securities) Guidelines 2003, therefore said proposal requires approval of shareholders. Accordingly, a Special Resolution for the same is proposed for approval of the shareholders.

None of the Directors of the company is, in any way, concerned or interested in the said special resolution. The Board of Directors recommend the passing of the special resolution.

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, 2004.



SUDAL INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS,

Dear Members,

Your Directors hereby present the 25th Annual Report and Audited Statements of Accounts for the year ended 31st March, 2004.

FINANCIAL RESULTS:

	For the year ended 31.03.2004 (Rs. in Lakhs)	For the year ended 31.03.2003 (Rs. in Lakhs)
Net Sales & Income from Operations	2917.50	2207.71
Other Income	1.20	1.93
	<u>2918.70</u>	<u>2209.64</u>
Profit/(Loss) before Interest & Depreciation	184.04	94.77
Interest	202.81	201.72
Depreciation	18.64	15.96
Net Profit/(Loss)	(37.41)	(122.91)

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

MANAGEMENT DISCUSSION & ANALYSIS:

During the year under review, the sales are more by 32% and profit before interest is more by 96% over last year. Though the Company could show a better performance than last year and could earn more profit before interest and depreciation, the Company has to bear more interest burden as many of the customers did not re-reimburse the interest, even agreed to by them.

The Company has an edge over most of the secondary extruders in regard to better product-mix and better customer profile and consequently better selling price inspite it could not pass on increase in various costs of production except price increase in Raw Material, due to the competition and market resistance.

Had the workers achieved the production and productivity as per the terms and norms specified in the

agreement and as assured to co-operate, the Company would have achieved better operational performance.

ACHIEVEMENT:

The Company had participated in International aluminium Extrusion Design Competition held during the Eighth International Aluminium Extrusion Technology Seminar and Exposition (ET-04) in Orlando, Florida, U.S.A. The FIRST PRIZE in the Industrial Category has won by our Company for an Aluminium extruded end cap for a uranium rod holder used in nuclear power equipment. The six-void hollow shape made for an interesting design. The 5052 alloy specified for production of the part is a non-heat treatable alloy required for end use. "It is a tough extrusion making such a complex shape using the 5052 alloy, which is why it was decided it Deserved Recognition", explained competition judge-Angel Rosario.

OUTLOOK AND OPPORTUNITIES:

The strengths of the Company are wide and strong base of the customers, constant efforts for customers' delight and the locational advantage whereby the Company can fetch a better and higher selling price even in a competitive situation.

The growth in End-User Industries i.e. Automobiles, Electrical Equipments, Architectural, Consumer Goods and Infrastructure is giving fillip to the prospects of more opportunities to the Company to open up its operating capacities and horizons which are already coupled with built up goodwill and continued support of reputed and multinational customers.

The heartening change in global scenario, economic and industrial growth would generate more demand for Company's products which would enable the Company to streamline the pricing strategy.

INTERNAL CONTROL SYSTEM AND ADEQUACY:

Commensurate with the size and nature of the business of the Company, it has adequate Internal Control System to have more effective control over the accounting systems and day to day operations, the Company has appointed renowned Internal Auditors M/s. Sharp & Tannan Associates.

The Company is only in one segment i.e. Aluminium Extrusions and its Down Stream Value Added products.

DIVERSIFICATION & NEW VALUE ADDED PRODUCTS:

The Company is in constant drive to develop extruded sections for sophisticated end uses. The down-stream activity and Truck Body Kits/Bus Body Systems are also staging ahead. The sprinkler irrigation system business is being strengthened further.

TOTAL QUALITY MANAGEMENT:

The Company always strive to achieve Total Quality Management and has now established a quality management system in compliance with the International quality System Standard ISO 9001 and Q9001:2000 and attestation is received from AQA International LLC and accredited by the American National Accreditation Program for Registrars of Quality Systems, ANSI-RAB.

INDUSTRIAL RELATIONS:

The workmen have given assurance that they will provide all assistance and cooperation to the Company for increasing the production and to make

Company viable as also make rehabilitation proposal successful. The existing agreement signed in conciliation is still in operation.

CONSERVATION OF ENERGY:

Particulars are given in Annexure "A".

TECHNOLOGY ABSORPTION:

Details are given in Annexure "B".

INSURANCE:

All movable and fixed assets 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 judgments and estimates made are reasonably and prudent so as to give a true and fair view of the Company as on 31st March, 2004 and of loss of the Company for the year ended 31st March, 2004 and cash flow as on that date.
- (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.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with the Auditors Statement on its compliance is annexed hereto as Annexure-C and forms part of this report.

DIRECTORS:

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

Dr. V. A. Joseph was appointed as Nominee of Syndicate Bank in place of Shri R. Chandrasekar and thereafter Shri S. R. Malhotra in place of Dr. V. A. Joseph during the year.

**SUDAL INDUSTRIES LIMITED****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 observation of the Auditors in their report on Accounts under paragraphs (iv) & (vii) read with the relevant Note No. 5(b) of Schedule 20 is 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 the cost accounts maintained by the Company under applicable provisions of the Companies Act, 1956.

ACKNOWLEDGEMENTS:

The Directors record their deep sense of gratitude to its Bankers—Syndicate Bank; Hindalco-Nalco 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 esteemed Shareholders.

For and on behalf of the Board,
SHRIRAM C. CHOKHANI,
Chairman & Managing Director

Place : Mumbai

Dated : 22nd June, 2004.

ANNUAL REPORT 2003-2004**ANNEXURE – A****(A) Measures taken to conserve energy:**

- (i) Changed electrical circuit of Billet Heater to save motor power;
- (ii) Re-organised charging of Homogenizing Furnace and Ageing F/C to control Maximum Demand;
- (iii) Added capacitors to improve Power Factor.

(B) Additional Investment Proposed:

- (i) To convert Hydraulic System of Extrusion Press to cartridge type valves to stop oil leakages through valves;
- (ii) Add one oil fired Die Heater for economic running;
- (iii) Add one additional Billet Cutting Machine.

(C) Impact of (A) & (B) above:

Will reduce oil, water, electricity consumption and maintenance problems with improved efficiency of machinery.

FORM – A**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.**

	Current Year 2003-04	Previous Year 2002-03
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units	37,49,105	32,27,180
Total Amount (Rs.)	1,53,71,330	1,34,71,064
Av. Rate/Unit (Rs.)	4.09	4.17
(b) Own Generation		
(i) Through Diesel Generator	Nil	Nil
Units/Ltrs. of Diesel Oil	—	—
Costs/Units (Rs.)	—	—
(ii) Through Steam Turbine/Gas	Nil	Nil
Unit	—	—
Unit per Ltr. of Fuel	—	—
Oil/Gas	—	—
Cost/Units	—	—
2. Coal (Specify quality and where used)	Nil	Nil
Quantity (Tonnes)	—	—
Total Cost	—	—
Average Cost	—	—
3. Furnace Oil		
Quantity (Ltrs.)	5,00,325	4,10,500
Total Amount (Rs.)	62,72,921	50,57,139
Average Rate (Rs. Ltr.)	12.53	12.32
4. Other (Internal Generation)	Nil	Nil
Quantity	—	—
Total Cost	—	—
Rate/Unit	—	—
B. Consumption per ton of production		
Electricity (Units)	13,09.96	1,486.56
Furnace Oil (Ltrs.) (for casting)	131.94	155.75
Aluminium Billets	—	—
Alloy	Nil	Nil
Coal (Specify Quality)	Nil	Nil
Others (Specify)	—	—



SUDAL INDUSTRIES LIMITED

ANNEXURE - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION OF RESEARCH AND 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 overseas market, import substitution.
2. Benefit derived as a result of R & D :
 - (i) Development of Dies and process to make thin walled tubes and intricate shapes.
 - (ii) Furnace modification. Added recuperator for better fuel economy and productivity.
 - (iii) Implement QS9000 for overall quality improvement.
 - (iv) Development of felt strip for run-out table to replace graphite and minimized rejection also for better quality.
 - (v) Special hot die steel and dies for reducing metal content in the finished material and this reduces the cost.
 - (vi) Computerization - For better planning, die design through computerization.
3. Future plan of action :
 - (i) Quality of Billets to be improved with Hot Top Technology.
 - (ii) Bailing Press - To save oil consumption.
 - (iii) Development of new items.
 - (iv) Plant modification - To conserve oil and power.
 - (v) Continue R & D work for cost reduction by
 - (1) improvement of recovery, (2) re-engineering, (3) TPM, (4) Process Improvement, (5) Upgradation.
4. Expenditure in R & D :

(a) Capital	Rs. Nil
(b) Recurring	Rs. 3.58 Lacs
(c) Total	Rs. 3.58 Lacs
(d) Total R & D expenditure as a percentage of turnover	0.12% (Approx.)

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards absorption, adaptation and innovation. : As 1, 2 & 3 above.
2. Benefit derived as a result of the above efforts i.e. Product improvement, Cost reduction, Product development, import substitution etc. : Already achieved partly and balance is in progress.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information to be furnished.
 - (a) Technology imported : No Technology Imported
 - (b) Year of import : —
 - (c) Has technology been fully absorbed : Technical assistance for extrusion Die design, manufacturing and correction, extrusion ageing, homogenising etc., maintenance practices recommended by Reynolds, Germany, have been put to practice as per the training to Sudal Engineers.
 - (d) If not fully absorbed areas where this has not been taken place, reasons therefore and future plans of action.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Company is exploring the possibility of export of its products.

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 31st March, 2004.

Place : Mumbai
Dated : 22nd June, 2004.

For and on behalf of the Board,
SHRIRAM C. CHOKHANI,
Chairman & Managing Director