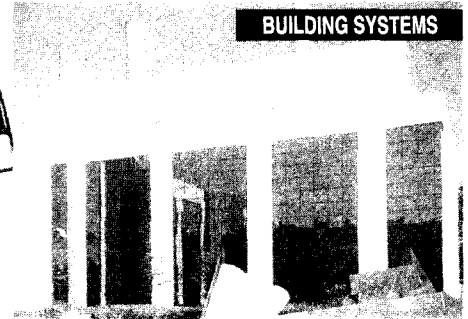
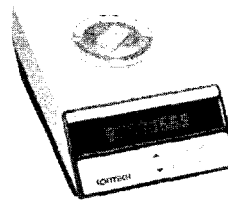
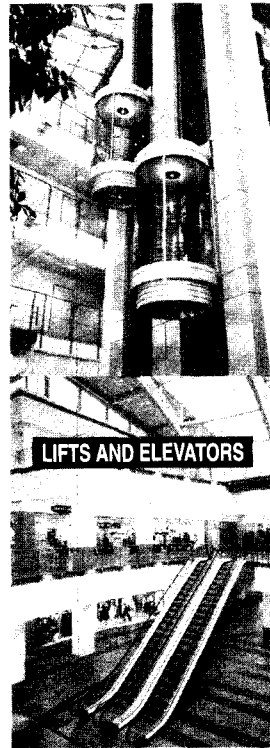
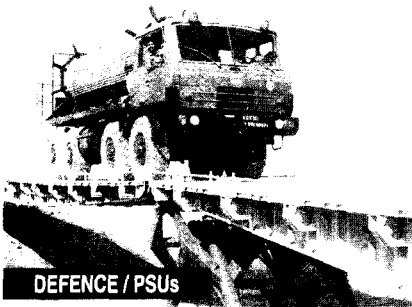


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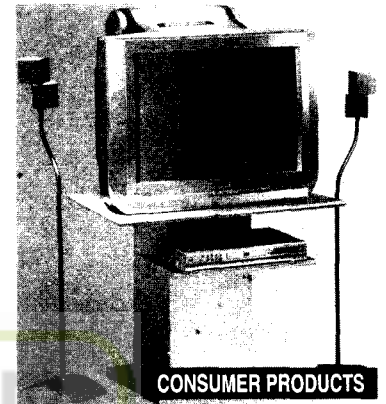
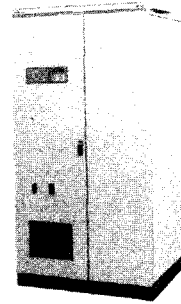
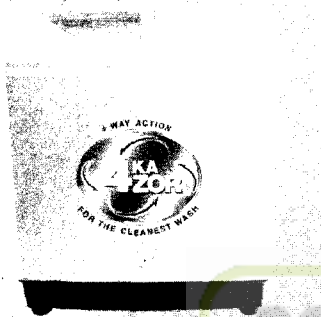


SUDAL
INDUSTRIES LIMITED



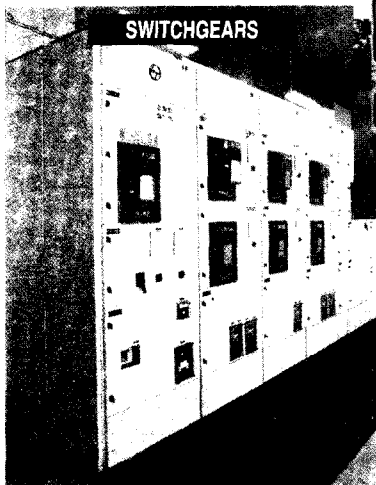


ELECTRICALS/ELECTRONICS

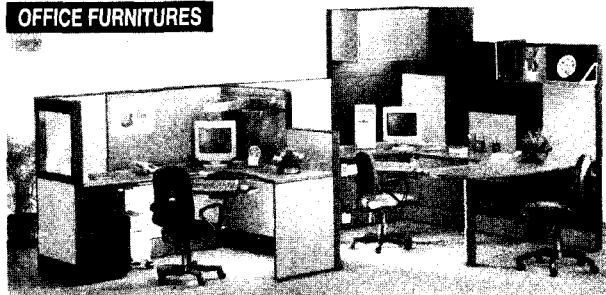


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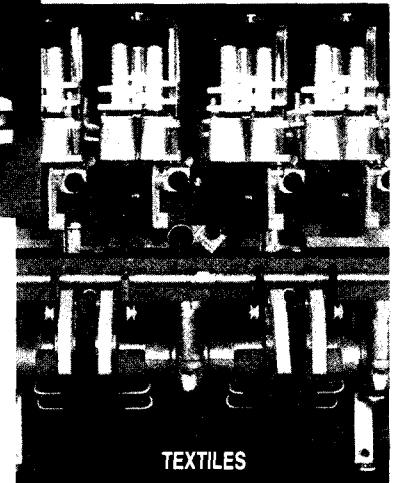
AUTOMOBILES



OFFICE FURNITURES



TEXTILES



SOME OF THE END USES

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

(Syndicate Bank Nominee)

Shri M. O. Shah

(Addl. Director w.e.f. 30/10/2004)

Shri Deokinandan Ajitsaria**Shri Satyanarayan Saraf**

(Upto 30/4/2005)

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

CORPORATE OFFICE26, Nariman Bhavan, 227, Nariman Point,
Mumbai 400 021.

Phone No. : 22023845; 22024053.

REGISTERED OFFICE & 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 (I) Pvt. Ltd.,

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 (I) Pvt. Ltd.

Tel. No. 28348218/28329828

Report

JUNCTION

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 26th ANNUAL GENERAL MEETING of the Members of SUDAL INDUSTRIES LIMITED will be held on 24th September, 2005 at 3.00 p.m. at the A-5 MIDC, Ambad Industrial Area, Mumbai-Nashik Highway, Nashik - 422 010, 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, 2005 and Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in the place of Shri D. N. Ajitsaria, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in the place of Shri C. M. Maniar, 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 "Ordinary Resolution".

RESOLVED THAT Shri M. O. Shah be and is hereby appointed as a Director of the Company liable to retire by rotation.

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as "Special 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, the Company hereby approves the terms of reappointment and remuneration including minimum remuneration (as approved by the Remuneration Committee and by the Board of Directors) to be paid to Shri Shriram C. Chokhani, who has been reappointed by the Board of Directors as the Managing Director for a further period of Three years from the date of expiry of his present term of office viz. 1/11/2005 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 directed by the concerned authorities, if any, 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 NOS. 5 & 6 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 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 BE CLOSED FROM 15/09/2005 TO 24/09/2005 (BOTH DAYS INCLUSIVE).
- (E) THE COMPANY'S ISIN HAS BEEN MADE LIVE IN THE CDS SYSTEM WITH CENTRAL DEPOSITORY SERVICES (INDIA) LTD., AND WITH NATIONAL SECURITIES DEPOSITORY LTD. ISIN ACTIVATION: ISIN-INE618D01015. ESTEEMED SHAREHOLDERS CAN DEMATERIALISE THEIR SECURITIES.

By Order of the Board

K. G. INAMDAR
Company Secretary

Place : Mumbai

Dated : 27th June, 2005.

ANNEXURE TO NOTICE:

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

Item No. 5:

Shri Manoj O. Shah was appointed as Additional Director of the Company at its Board meeting held on 30th October, 2004 w.e.f. same date.

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 a 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 Shri Manoj O. Shah as Director of the Company liable to retire by rotation.

Shri M. O. Shah is a practicing Chartered Accountant and, an Independent Director, is on the Audit Committee and remuneration Committee of the Directors, who is also chairing the said committees. His association and practical experience would be a help to the Board of the Company.

ANNUAL REPORT 2004-2005

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

Item No. 6:

The Company is manufacturer of Aluminium Extrusions and is in operation for last 25 years. The financial performance is given in the Directors' Report and Export performance/net foreign exchange earning is also a part of report.

Shri Shriram C. Chokhani from beginning holding a position of Managing Director of the Company whose present term of appointment as Managing Director is expiring on 31st October 2005. He is a commerce graduate and did D.B.M. from Mumbai University & advance management from Syracus University, USA under TCM and NPC programme. For more than 4 decades he is in the field of Aluminium.

He is performing such duties and exercising such powers as per existing agreement and from time to time assigned or vested in him by Board of Directors for forecasting, planning, organising, directing, delegating authority & responsibility, review, taking corrective action for Company's Business as a whole.

He is giving his major time & attention to the working of the plant at Nashik and general control over Marketing, commercial, finance, administrative, secretarial & legal and production management.

His present remuneration is same as proposed. The proposed remuneration is based on the effective capital of the Company, which is lower than the minimum level.

The pecuniary relationship, other information about profitability, future improvement in productivity, profits etc. as well as disclosure are given in the Annual Report and under Corporate Governance.

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.

Period: 3 Years from 1st November, 2005.

Remuneration:

Salary: Rs. 57,000/- per month, including all perquisites permissible under schedule XIII of the Companies Act, 1956.

Commission: Subject to the ceiling prescribed in this behalf under the Companies Act, 1956.

Retirement Benefits:

Gratuity payable in accordance with the rules of the Company or as per the Gratuity Act, amended from time to time, and the value of such benefits shall not be included in the computation of limits for the remuneration or perquisites.

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 calls are allowed.

Reimbursement of Expenses: Reimbursement of all entertainment and travelling and out of pocket expenses actually and properly incurred for the business purpose 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 Meetings of any committee appointed by Board or under any statute.

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 in terms of the agreement.

The agreement 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 S. Chokhani 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 special resolution.

The resolution is commended for your consideration.

By Order of the Board,

K. G. INAMDAR
Company Secretary

Place : Mumbai

Dated : 27th June, 2005.



SUDAL INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS,

Dear Members,

Your Directors hereby present the 26th Annual Report and Audited Statements of Accounts for the year ended 31st March, 2005.

FINANCIAL RESULTS:

	For the year ended 31.03.2005 (Rs. in Lakhs)	For the year ended 31.03.2004 (Rs. in Lakhs)
Net Sales & Income from Operations	4219.01	2917.50
Other Income	13.19	3.72
	<u>4232.20</u>	<u>2921.22</u>
Profit/(Loss) before Interest & Depreciation	338.59	184.04
Interest	235.88	202.81
Depreciation	23.09	18.64
Net Profit/(Loss)	<u>79.62</u>	<u>(37.41)</u>

Though the Company has earned a net profit, due to accumulated losses, the Directors regret their inability to declare any dividend.

MANAGEMENT DISCUSSION & ANALYSIS:

During the year under review, the company's operational performance was much better than last year and could earn profit after interest & depreciation.

The Company has an edge over most of the secondary extruders in regard to locational advantage and better product – mix & better customer profile, consequently better selling price. It could partially pass on increase in other costs of production because of the competition and market resistance.

Had the workers achieved the production and productivity as per the terms & norms specified in the agreement(s), the company would have achieved more better operational performance than what has been achieved. However, The workers have assured BIFR that they will co-operate to the Company for increasing the production and to make the Company viable.

The rehabilitation scheme of BIFR is under implementation.

ACHIEVEMENT/EXPANSION:

With a view to meet with the needs of growing markets, the Company has put up Second Extrusion Press of 900 tons Capacity of Indian Origin. The Company has plans to add one more Extrusion Press in coming financial year to widen further its range of products.

OUTLOOK AND OPPORTUNITIES:

The strengths of the Company are concentration on high value added & sophisticated extrusions, wide & strong

base of the customers, constant efforts for customers' delight and the locational advantage whereby the Company can fetch a better & higher selling price even in a continued competitive situation. With introduction of Value Added Tax, the Company's competitiveness is improved and it expects to receive more share of business.

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 is likely to generate more demand for company's products.

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

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 Internal Auditors M/s. Malpani & Associates in place of Sharp & Tannan Associates.

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 reviewed further.

TOTAL QUALITY MANAGEMENT:

The Company always strive to achieve Total Quality Management and has now established a quality management systems in compliance with the International Quality System Standard ISO 9001-2000/ TS 16949:2002 of TUVCERT Certification Body for QM-Systems of RWTUV Systems GmbH.

RISK MANAGEMENT/HEALTH, SAFETY ETC.:

As a part of business policy, the Company gives due importance to the risk identification and control in various functional areas. As far as possible the Company takes necessary steps to manage the internal and external factors.

The Company is taking due care and steps in respect of pollution control, safety, health etc.

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.

CONSERVATION OF ENERGY:

Particulars are given in Annexure "A".

TECHNOLOGY ABSORPTION:

Details are given in Annexure "B".

INSURANCE:

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

DIRECTORS RESPONSIBILITY STATEMENT:

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed.
- 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 Company as on 31st March, 2005 and of profit of the Company for the year ended 31st March, 2005 and cash flow as on that date.
- 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.
- 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.

The securities of the Company have been delisted from Ahmedabad Stock Exchange.

DIRECTORS:

In terms of the Companies Act, 1956 and the Articles of the Company, Sarvashri. D. N. Ajitsaria and C. M. Maniar retire by rotation and, being eligible, offer themselves for reappointment.

Shri S. N. Saraf has resigned from the Board due to ill health.

The members approval is being sought for the reappointment of Shri Shriram C. Chokhani as the Managing Director of the Company on the terms of appointment set out in the explanatory statement annexed to the Notice of the Meeting.

Shri M. O. Shah has joined the Board of the Company as the additional Director w.e.f. 30th October, 2004. A member has given notice in writing proposing his candidature for directorship and accordingly the proposed resolution will be moved at the ensuing Annual General Meeting for his appointment as a Director, liable to retire by rotation.

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, 1968.

AUDITORS REPORT:

The observations of the Auditors in their report on Accounts under paragraphs (IV), (V) & (VIII) 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 and records 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 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 : 27th June, 2005.



SUDAL INDUSTRIES LIMITED

ANNEXURE - A

(A) Measures taken to conserve energy:

- (i) Induction Billet Heater Isolation Transformer changed to Auto-Transformer.
- (ii) Billet heating arrangement for new 900 Ton Press (Press II) has been done with the help of LPG.
- (iii) Transparent sheet provided on roof and side for New 900 Ton press shed.
- (iv) Installed 150 KVA Generator set to avoid heat loss during power failure.

(B) Additional Investment Proposed.

- (i) To change over to Hot Log Heater with LPG and incorporate Hot Log Shear on Press I.
- (ii) To change Rotary Die Holder of Press I to Cartridge type Die Holder.
- (iii) To change hydraulic system of Press I from spool type valve to cartridge type valves.

(C) Impact of (A) and (B) Above:

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

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY.

	Current Year 2004-05	Previous Year 2003-04
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased Units	43,91,312	37,49,105
Total Amount (Rs.)	1,63,67,378	1,53,71,330
Av. Rate/Unit (Rs.)	3.72	4.09
(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.)	8,39,500	5,00,325
Total Amount (Rs.)	1,03,72,962	62,72,921
Average Rate (Rs./Ltr.)	12.36	12.53
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)	1258.26	1309.96
Furnace Oil (Ltrs.) (for casting)		
Aluminium Billets	177.28	131.94
Alloy	Nil	Nil
Coal (Specify Quality)	Nil	Nil
Others (Specify)	—	—

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) Implementation of TS16949 & ISO 9001 – 2000 for over all quality improvement.
(ii) Wide range of precision downstream product taken up for Automobile and Electrical Industries.
(iii) Large and sophisticated sections and profiles are being developed regularly as import substitute. |
| 3. Future plan of action | : (i) To develop more critical downstream product for value addition.
(ii) To develop critical alloys for Defence and Railways.
(iii) To develop product for Export Market.
(iv) To improve Billet Quality with Hot Top Technology. |
| 4. Expenditure in R & D | : (a) Capital Rs. Nil
(b) Recurring Rs. 3.51 Lacs
(c) Total Rs. 3.51 Lacs
(d) Total R & D expenditure as a percentage of turnover .08% (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, 2005.

For and on behalf of the Board,

SHRIRAM C. CHOKHANI,
Chairman & Managing Director

Place : Mumbai

Dated : 27th June, 2005.



SUDAL INDUSTRIES LIMITED

ANNEXURE "C" TO THE DIRECTORS REPORT: CORPORATE GOVERNANCE:

1. Company's Philosophy:

Your company has been practising the principles of good corporate governance and believes in importance of transparency. It is following sound systems to support healthy business operations and endeavours continuous improvements. Your company has already commenced to implement, to the extent possible the recommendations of the code of corporate governance as per the guide-lines.

2. Board of Directors:

The Board of Directors of the Company comprises of a Managing Director, Joint Managing Director and presently four Non-Executive Directors including Nominee Director of Syndicate Bank and additional Director.

Category of Director

Promoter/Executive

Name of the Director

Shri S. C. Chokhani – Industrialist
B.Com., DBM (ECP, USA)

Shri S. S. Chokhani – Industrialist
B.Com., AMP in Financial Management

Non-Promoter/Executive

—

Non-Executive Independent

Shri. S. Malhotra
(Executive – Syndicate Bank Nominee)

Shri. C. M. Maniar (M.A., B.Com., LLB) –
Solicitor & Advocate (Partner Crawford Bayley & Co.)

Shri. D. N. Ajitsaria – Business
B.E. (Mechanical)

Shri. S. N. Saraf (B.Com., LLB.) – Sr. Advocate (upto 30/04/2005)

Shri. M. O. Shah (B.Com., FCA) – Practicing Chartered Accountant
(w.e.f. 30/10/2004.)

Attendance of each Director at the Board Meeting and last Annual General Meeting held during 2004-05 and number of Directorships of other Public Limited Companies and Chairmanship/Membership of Committees of each Director are:

Name of the Director	Other Pub./Pvt. Companies in which a Director	No. of Board Meetings/Audit Committee Meeting Attended	Attendance at last AGM	No. of Committee Membership	No. of Committee Chairmanship
S. C. Chokhani	—/01	05/02	Yes	03	01
S. S. Chokhani	—/01	06/03	Yes	03	—
C. M. Maniar	13/07	04/—	—	10	—
D. N. Ajitsaria	—	03/03	—	02	02
M. O. Shah#	—	02/01	—	02	02
S. R. Malhotra (Nominee of Syndicate Bank)	—	05/—	—	—	—
S. N. Saraf*	—	—	—	—	—

From 30/10/04

* Upto 30/04/05

Number of Board Meetings held during the year and the dates on which held:

Six board meetings were held during the financial year 2004-05. The date on which the said meetings were held are as follows:

30th April, 2004

22nd June, 2004

31st July, 2004

30th October, 2004

18th December, 2004

31st January, 2005

Shri S. N. Saraf was resigned on 30/04/2005. Mr. M. O. Shah was appointed as additional Director during the year.