



CONSERVE FUEL

FOR TOMORROW'S WORLD

SUNKU AUTO LIMITED

SUNKU AUTO LIMITED

CHAIRMAN	Sri M.V. Narayana Rao
MANAGING DIRECTOR	Dr. Sunku Balaram
DIRECTOR (OPERATIONS)	Mr. S. Santosh Kumar
DIRECTORS	Smt. S. Annapurna Sri V. Srinivasa Rao Dr. V. Shekhar
AUDITORS	B. Narsing Rao & Co.
BANKERS	Indusind Bank Ltd., Begumpet, Secunderabad
REGISTERED OFFICE	Gouthami Nagar Cheekatimanupally, Kadiri (Mandal) Ananthapur Dist, A.P.
FACTORY & ADMN. OFFICE	D-3 & D-12 Industrial Estate, Moula Ali, Hyderabad - 500 040.

SUNKU AUTO LIMITED**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of the Company will be held at the Registered Office : Gouthami Nagar, Cheekatimanupally, Kadiri Mandal, Ananthapur Dt., on Wednesday, 15th November, 2000 at 11.00A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2000 and profit and loss Account for the period ended 31st March 2000 and report of Auditors and Directors there on.
2. To appoint a Director in place of Sri V. Srinivasa Rao, who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Dr. V. Shekhar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Body Meeting. The retiring Auditors M/s. Narsing Rao & Co., are eligible for re-appointment.

For and on behalf of the Board
For SUNKU AUTO LIMITED

Cheekatimanupally
Date : 16-10-2000

(Dr. S. Balaram)
Managing Director

NOTE :

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and a proxy need not be a member. Instrument of proxies, in order to be effective, must be deposited at the registered office of the Company not less than 48 hours before the meeting.
2. The Register of Members and share transfer books will remain closed from 15th November to 18th November 2000 (both days inclusive).
3. Members are requested to kindly notify any change in address immediately to the company.
4. M/s Venture Capital and Corporate Investments Limited, 3rd floor, Progressive Towers, Khairatabad, Hyderabad - 500 004 has been appointed as Electronic Transfer Agents.

SUNKU AUTO LIMITED

DIRECTORS REPORT

To,
The Members,

Your Directors has the pleasure in presenting the Fifteenth Annual report for the period ended 31st, March 2000.

FINANCIAL RESULTS

Particulars	Year Ended 31.03.2000 (18 months) (In Lakhs)	Year Ended 31.03.1998 (12 months) (In Lakhs)
Sales/Turnover	1322.07	1241.97
Profit before Depreciation & Income Tax	35.23	26.20
Depreciation	33.02	20.13
Profit before tax	2.21	6.07
Less : Provision for tax	0.65	0.74
Net Profit after Tax	1.56	5.33

PERFORMANCE VS PROJECTIONS (IN LAKHS)

	Projections	Actuals
Income from operations	3924.25	1288.21
profit	758.76,	2.21

REASONS FOR SHORTFALL :

Due to unprecedented demand recession in the automobile industry and down trend in the prices of the products of competitors and also entry of new players in the market. Lower sales realisation and increased cost of inputs have adversely affected the sales and profit margin of the company.

DEPOSITS :

The Company did not accept any deposits during financial Year under review.

SUBSIDIARIES :

M/s. APPOLLO CHAINS & ZIPS PVT. LTD. The audited accounts along with the Directors report for the year ended 31-03-2000 in respect of the said subsidiary company is annexed as required u/s 212 of the companies Act, 1956.

DIVIDEND

Due to inadequate of profits, your Directors do not recommend the dividend for the period under consideration.

OPERATIONS

The operations of the Company for the period under review are satisfactory. The Sales for the period is Rs. 1322.07

lacs (for the 18 months period) despite the prevailing market conditions and tough competition. The Company is taking steps to substantially increase the production.

DIRECTORS

Sri V. Srinivasa Rao will retire by rotation by ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Sri V. Shekhar will retire by rotation by ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

The Board taken on record the sudden demise of Sri Aravind Bhai R. Pharik and expressed its condolence.

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees of the company were in receipt of remuneration which in aggregate of Rs. 6,00,000/- or more per year and in receipt of remuneration for any part of the year of Rs. 50,000/- or more per month in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975.

LISTING

The Company shares are listed in The Hyderabad Stock Exchange Ltd., Hyderabad, The Stock Exchange, Mumbai and The Ahmedabad Stock Exchange Association Limited, Ahmedabad and the listing fees for the year 1999-2000 was paid.

INDUSTRIAL RELATIONS

Industrial relations are cordial. Your directors wish to express their appreciation for the dedicated services rendered by the staff, officers and workers of the company.

ACKNOWLEDGMENTS

Your Directors take this opportunity to place on record their great appreciation and gratitude for the whole-hearted support, assistance, co-operation and valuable guidance that has been coming from Indusind Bank Ltd., S.P. Road, Secunderabad and also from Central and State Governments all those who are associated with the Company more particularly the investors who have reposed their confidence in the Company.

On behalf of the Board
For Sunku Auto Limited

Place : Cheekatimanupally
Date : 16-10-2000

(M.V. Narayana Rao)
CHAIRMAN

ANNEXURE :

Information as per Section 217(1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the period ended 31st March, 2000.

(A) CONSERVATION OF ENERGY	:	Nil
a) Energy Conservation Measures taken		
b) Additional investment and proposals, if any being implemented for reduction of consumption of energy	:	Nil
c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact of the cost of production.	:	Nil
d) Total energy consumption and energy consumption per unit of production	:	Nil
(B) TECHNOLOGY ABSORPTION :		
e) Efforts made in technology absorption as per Form B	:	Nil

FORM B
(See rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF ABSORPTION**Research and Development (R & D)**

- | | |
|--|--|
| 1. Specific areas in which R & D carried out by the company. | A new steering model vehicle 6+1 seater has been developed in the inhouse and sent to ARAI, Pune for statutory approval and obtained the approval. |
| 2. Benefits derived as a result of the above R & D. | The Commercial vehicles are already released in the market for which there is good response from the market. |
| 3. Future plan of action | A regular plan has been chalked out to develop some more new models of vehicles and relevant components in the in-house. |
| 4. Expenditure on R & D : | |
| (a) Capital | Nil |
| (b) Recurring | Nil |
| (c) Total | Nil |
| (d) Total R & D expenditure as a percentage of total turnover. | Nil |

Technology absorption, adaptation and innovation.

- | | |
|--|-----|
| 1. Efforts, in brief, made towards technology absorption, adaptation and innovation. | Nil |
| 2. Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution, etc. | Nil |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished | |
| (a) Technology imported | Nil |
| (b) Year of import | Nil |
| (c) Has technology been fully absorbed ? | Nil |
| (d) If not fully absorbed, areas where this has not been taken place, reasons therefore and future plans of action. | Nil |

(C) FOREIGN EXCHANGE EARNINGS & OUTGO

- | | |
|--|-----|
| (f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. | Nil |
| (g) Total Foreign Exchange used and earned | Nil |

SUNKU AUTO LIMITED

B.NARSING RAO & CO.
CHARTERED ACCOUNTANTS

610, VI FLOOR, BABUKHAN
ESTATE, BASHEERBAGH
HYDERABAD-1 PHONE: 3232745

AUDITORS REPORT

We have audited the attached Balance Sheet of M/s. SUNKU AUTO LIMITED. as at 31.03.2000 and profit and loss account for the period ended as on that date annexed thereto and report that:

1. As required by the Manufacturing and other Companies (Auditors report) Order, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we state that:
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of the books.
 - c) The balance sheet and the profit and loss account referred to in this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information and according to the explanations given to us, the said Balance

Sheet and the profit and loss account read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.

Subject to our comments and on the basis of relevant papers furnished by the company:

- A) The company has not provided for depreciation on the redundant assets discussed in the Sl.No.3 of Notes on Accounts.
 - i) in so far as it relates to the Balance Sheet, of the state of affairs of the company as at 31.03.2000 (18months):
and
 - ii) in so far as it relates to the profit and loss account, of the profit of the company for the period ended on that date.

For **B.NARSING RAO AND CO.**
Chartered Accountants.

Place : Hyderabad
Date: 16-10-2000

(B.Narsing Rao)

ANNEXURE TO AUDITORS REPORT

Ref: M/s. Sunku Auto Limited

[Referred to in paragraph 1 of our report of even date.]

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. All the assets have been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on verification.
2. None of the fixed assets have been revalued during the year.
3. The stocks of finished goods, spare parts and raw material have been physically verified by the management during the year.
4. In our opinion, the frequency of verification is reasonable.
5. The procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
6. The discrepancies noticed on verification between the physical stock and book records were not material.
7. On the basis of our examinations of stock records, we are of the opinion that the valuation of stocks is fair and proper in accordance with the normally accepted