



ALUMECO INDIA EXTRUSION LIMITED

26th Annual Report - 2014

BOARD OF DIRECTORS

Mr. Ashish Kumar Gupta
(DIN: 00061551) Chairman

Mr. Wolfgang Ormeloh
(DIN: 00483043) Managing Director
(up to 15th Dec. 2013)

Prof. Laxmi Narain
(DIN: 00061406) Director
(up to 13th Nov 2013)

Mr. Nand Kishore Khandelwal
(DIN: 02112822) Director
(up to 18th Oct 2013)

Mr. Rakesh Gupta
(DIN: 06385673) Director
(up to 20th August 2013)

Mr. Jakob Junker Jespersen
(DIN: 06466570) Director – Alternate to
Mr. Hans Schweers (up to 29th Oct 2013)

Prof. S. Balan (DIN: 06500367)
Director (up to 5th Nov 2013)

Mr. Hans Schweers
(DIN: 00318960) Director

Mr. Anand Parkash
(DIN: 02469989) Whole Time Director
(from 29th October 2013)

Compliance Officer
Mr. Archit Agarwal

Auditors

Laxminiwas & Jain,
Chartered Accountants,
5-4-726, Station Road, Nampally,
Hyderabad – 500 001

BANKERS

1. Axis Bank Limited,
Kompally, Hyderabad
2. HSBC, Somajiguda, Hyderabad
3. State Bank of India,
IFB, Somajiguda, Hyderabad
4. The Karur Vysya Bank Limited,
R.P. Road, Secunderabad

Registrar &

Share Transfer Agents
XL Softech Systems Limited, 3,
Sagar Society, Road No. 2,
Banjara Hills, Hyderabad – 500 034.
Phone Nos. 040 – 23545913,14,15

Registered Office & Works
CIN: L74999AP1988PLC008966
Survey Nos. 379-382, Kallakal Village,
Toopran Mandal, Medak District,
Telangana – 502 336.
Ph. Nos. 08454–250191/250529,
Fax Nos. 08454–250196/514

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NOTICE TO SHAREHOLDERS :

Notice is hereby given that the Twenty Sixth Annual General Meeting of the Members of Alumeco India Extrusion Limited will be held on Monday, 30th March, 2015 at 11.30 a.m. at the Registered Office of the Company, at Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Telangana - 502 336, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the 26th Directors' Report, Audited Balance Sheet as at 30th June, 2014, Audited Profit & Loss Account and Cash Flow Statement for the period ended on that date, and the report of the Auditors thereon.
2. To appoint a Director in place of Ashish Kumar Gupta, who retires by rotation, and being eligible, offers himself for reappointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, relating to the appointment of the Auditors of the Company:

"RESOLVED THAT M/S Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S) be and are hereby appointed as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and the Audit Committee / Board of Directors be and are hereby authorized to fix a suitable remuneration in consultation with the auditors".

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution as Special Resolution:
"RESOLVED THAT Pursuant to the provisions of section 13(1) read with section 4 and other applicable provisions, if any of the Companies Act, 2013 and the Rules made there-under including any statutory modification(s) or amendment(s) thereto for the time being in force and subject to the approval of the Central Government, the name of the company be changed from "ALUMECO INDIA EXTRUSION LIMITED" to "GOLKONDA ALUMINIUM EXTRUSIONS LIMITED", and the existing

Clause I of the Memorandum of Association of the Company be substituted by the following clause-

"I. The name of the Company is GOLKONDA ALUMINIUM EXTRUSIONS LIMITED."

RESOLVED FURTHER THAT consequent to the aforesaid change, the name "ALUMECO INDIA EXTRUSION LIMITED" wherever appearing in the Memorandum and Articles of Association of the Company be substituted by "GOLKONDA ALUMINIUM EXTRUSIONS LIMITED"

RESOLVED FURTHER THAT Mr. Anand Parkash, Whole Time Director of the Company be and is hereby authorised to do all acts & deeds, settle all matters and things arising out of and incidental to the above mentioned change in the name of the Company and further take all such steps as it may, in its absolute discretion, deem necessary to give effect to this resolution."

5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Ashish Kumar Gupta (holding DIN 00061551), a non-executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for five (5) consecutive years commencing from 30.03.2015."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolutions as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 consent of the

Shareholders be and are hereby accorded to the re - appointment of Mr. Anand Parkash (holding DIN 02469989), as Whole-time director of the Company with effect from 1st January 2015 for a period of one year i.e. till 31.12.2015 on the remuneration and terms and conditions as given below:

| Particulars | (Rupees per month) |
|------------------------|--------------------|
| Basic Salary | 19,250 |
| House Rent Allowance | 7,700 |
| Conveyance Allowance | 800 |
| Education Allowance | 200 |
| Other Allowances | 4,050 |
| Medical Allowance | 1,500 |
| Leave Travel Allowance | 1,500 |
| Total | 35,000 |

By Order of the Board
For Alumeco India Extrusion Limited

New Delhi Mr. Anand Parkash
5th March 2015 Whole Time Director
DIN: 02469989

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing

their representative to attend and vote on their behalf at the Meeting.

3. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio numbers in the attendance slip for attending the Meeting.
5. In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m., up to the date of the Meeting.
7. The Register of Members and Transfer Books of the Company shall remain closed from 28th March 2015 to 30th March 2015 (both days inclusive) for the purpose of Annual General Meeting.
8. Voting through electronic means:

- i. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by CDSL.

The instructions for e-voting are as under:

- i. The voting period begins at 9 A.M. on 24/03/2015 and ends at 6 P.M. on 26/03/2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date, i.e. 27/02/2015 (End of Day) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

- iii. Click on Shareholders.
- iv. Now enter your User-ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

| | |
|-----------------------|---|
| | For Members holding shares in Demat Form and Physical Form |
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv). |

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- xi. Click on EVSN of ALUMECO INDIA EXTRUSION LIMITED
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting

- done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Not- Individual shareholder and Custodian
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and custodian are required to log on to www.evoting.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding, you may refer the Frequently Asked Questions ("FAQ's") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- II. The Scrutinizer Mr. Raghava Reddy Sadhu, Practicing Company Secretary, Hyderabad shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- III. The results shall be declared on or before the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website <http://www.alumecoindia.com> and on the website of M/s. XL Softech Systems Limited. Within two (2) days of passing of the resolutions at the AGM of the Company and be communicated to the Stock Exchanges.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO.4:

The Management believes that the proposed new name more clearly resembles with the Management policies, company ideologies and corporate policies.

The Company has received the approval from the Registrar of Companies, Andhra Pradesh (ROC) confirming the availability of the new name "GOLKONDA ALUMINIUM EXTRUSIONS LIMITED". The Companies Act, 2013 requires the Company to obtain the approval of members by way of Special Resolution for the alteration of the Memorandum of Association of the Company in respect of change of name and consequential alteration in the Articles of Association. After obtaining the approval of Shareholders, an application will be made to the ROC, for change of name of company and if approved, the name will be effective from the date of ROC approval.

The Board of Directors is of the opinion that the aforesaid resolution is in the best interest of the Company and hence, recommends the above resolution for your approval as a special resolution.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the proposed resolution.

ITEM NO.5:

In terms of Section 149 and other applicable provisions of Companies Act, 2013, the independent directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation at every AGM.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

Mr. Ashish Kumar Gupta, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five (5) consecutive years commencing from 30.03.2015.

ITEM NO. 6:

The Board of Directors of the Company at its meeting held on 14th November 2014, has subject to the approval of Members, appointed Mr. Anand Parkash as Whole Time Director for a period of one year ending on 31st December 2015 on the remuneration as set out in the resolution. The terms of his remuneration as set out in the resolution are considered to be fair, just and reasonable.

The above may be treated as an abstract of the

terms of appointment of Mr. Anand Parkash under Section 203 of the Companies Act, 2013.

A brief resume of Mr. Anand Parkash as required in terms of Clause 49 of the Listing Agreement is enclosed with the Notice.

The Board recommends the Resolution set out in Item No 6 for your approval.

None of the Directors, except Mr. Anand Parkash, is concerned or interested in the resolution.

The following additional information as required by Schedule V of the Companies Act is given below:

1. General information:

(i) *Nature of Industry:* Aluminum Industry. The main activity of the Company is manufacturing of Aluminum Extrusions.

(ii) *Date of Commencement:* 9th September 1988.

(iii) *Financial Performance (as in table below).*

(Rs. in million)

| Particulars | 30.06.2014 | 30.06.2013 | 30.06.2012 |
|--|------------|------------|------------|
| Sales and other income | 21.969 | 665.541 | 802.902 |
| Profit before Tax and prior period items | (18.91) | (54.67) | (27.44) |
| Finance Charges | 0.16 | 2.71 | 4.23 |
| Depreciation | 8.22 | 13.13 | 14.07 |
| Prior period items | -- | -- | -- |
| Profit after Tax | (18.91) | (54.67) | (27.44) |

(iv) *Export Performance:* The Company closed its production since July, 2013. Hence, there is no export during the current year.

(v) *Foreign Investment:* The Company is subsidiary of OSI India Holding A/S, Denmark, which holds 60.50% of its equity.

2. Information about the managerial persons:

Mr. Anand Parkash – Director

(i) *Background details* - Mr. Anand Parkash, aged about 55 years is a graduate with more than 30 years of experience in Taxation and Legal matters.

(ii) *Past remuneration* - Rs. 35,000/- p.m. (CTC).

(iii) *Remuneration proposed* – Rs. 35,000/- p.m. (CTC) (effective from 1st January, 2015).

(iv) *Comparative Remunerative profile* - It is similar or lower than in equivalent firms.

(v) *Pecuniary relationship* - No pecuniary relationship except the remuneration received.

3. Other Information:

(i) *Reasons of loss or inadequate profits* - Due to

large unforeseen liabilities relating to Excise duty and Sales Tax arising primarily out of the previous promoters clandestine activities and exchange losses and bad domestic and global economic situation.

(ii) *Steps taken or proposed to be taken for improvement* - The Company has been declared sick industrial unit by BIFR and is in the process of rehabilitation under the aegis of BIFR/Operating Agency.

(iii) *Expected increase in productivity and profitability* - The Company is hopeful that it will be able to rehabilitate under the aegis of BIFR/Operating Agency.

By Order of the Board
For Alumeco India Extrusion Limited

New Delhi
5th March 2015

Mr. Anand Parkash
Whole Time Director
DIN: 02469989

Additional Information

Brief Resume of the Directors proposed to be appointed / re – appointed as required in terms of Listing Agreement

| | | |
|--|--|--|
| Name | Mr Ashish Kumar Gupta | Mr. Anand Parkash |
| Date of Birth | 10.02.1975 | 14.08.1959 |
| Date of Appointment | 28.10.2005 | 29.10.2013 |
| Qualifications | Chartered Accountant | Under Graduate |
| Expertise in specific functional area | Expertise in taxation Audit & Corporate Laws | More than 30 years of experience in Taxation and Legal matters |
| Directorship in other Companies | Nil* | Nil* |
| Memberships / Chairmanship of Committees across all Public Companies | Nil* | Nil* |

*Excludes Private and Foreign Companies.

DIRECTORS' REPORT

Dear Members, Your Directors' hereby present the Twenty Sixth Annual Report on the business and operations of the Company, together with

the Audited Statements of Accounts and the Auditors' Report for the year ended 30th June, 2014.

Financial Highlights:

| Particulars | Current year 2013 - 2014 | (Rs. Million) Previous year 2012 - 2013 |
|--|-----------------------------|---|
| Revenue from Operations | 19.47 | 656.60 |
| Other Income | 2.50 | 8.94 |
| Total Revenue | <u>21.97</u> | <u>665.54</u> |
| Profit/ (loss) before financial | (10.53) | (38.84) |
| Expenses, Depreciation Financial Expenses | 0.16 | 2.70 |
| Depreciation | 8.22 | 13.13 |
| Profit/ (Loss) before Tax | <u>(18.91)</u> | <u>(54.67)</u> |
| Profit/ (Loss) after Tax and prior period adjustment | (18.91) | (54.67) |

Dividend:

In view of the accumulated losses, no dividend is being recommended for the current year.

Results of Operations:

As already communicated to the shareholders under the previous annual report that the Company has received communication from the parent company that they will not be able to supply the raw material on credit terms as before

and the Company does not have its own financial strength, so the Board of Directors' in its meeting held on July 08, 2013 decided to close the operation of the unit in order to stop the accumulation of cost and liabilities until an appropriate decision is taken under the aegis of the BIFR. However, the Company reported revenue of Rs. 19.47 million during the month of July, 2013.

Extension of Annual General Meeting:

As some reconciliations / audit adjustments were pending and the auditors had sought further details / clarity on the rehabilitation package, the Board felt that some more time will be required to finalize the financial statements. Hence, the Board requested the Registrar of Companies, Andhra Pradesh for 3 months extension for conducting the AGM. The Registrar of Companies, Andhra Pradesh has extended the time up to 31 March 2015.

Directors:

During the year, Mr. Rakesh Gupta, Mr. Nand Kishore Khandelwal, Mr. Jakob J Jespersen, Prof. Selvarani Balan and Prof. Laxmi Narain resigned as directors with effect from 20th August 2013, 18th October 2013, 29th October 2013, 5th November 2013 and 13th November 2013 respectively. Mr. Wolfgang Ormeloh, Managing Director has also submitted his resignation as Director and Managing Director to the Board and the Board in its meeting held on 13 November, 2013 has accepted his resignation with effect from 15 December, 2013.

Therefore, As on date, the directors of the Company are (1) Mr. Ashish Kumar Gupta; (2) Mr. Hans Schweers; (3) Mr. Anand Parkash.

Mr. Ashish Kumar Gupta, who has been longest in the office, will retire at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

Mr. Ashish Kumar Gupta, being eligible and offering himself for appointment, is proposed to be appointed as Independent Director for five (5) consecutive years commencing from 30.03.2015.

The Board of Directors of the Company at its meeting held on 14th November 2014, has subject to the approval of Members, appointed Mr. Anand Parkash as Whole Time Director for a period of one year ending on 31st December 2015.

Directors' Responsibility Statement:

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby

confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th June, 2014 and of the profit or loss of the Company for that period;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) The annual accounts have been prepared on a going concern basis.

Auditors:

M/s Laxminiwas & Jain, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Auditors' Qualifications and Management's Reply:

1. 'Basis for Qualified Opinion' of the Audit Report:

As more fully explained in note 2.24 to the financial statements that the Company has accumulated losses of Rs. 271,440,790 as at 30 June 2014 which have exceeded the paid up capital and reserves (Rs. 160,522,805) of the Company at that date. The Company had been declared sick on 9 February 2010 and had made a reference to the Board for Industrial & Financial Reconstruction (BIFR) in terms of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. It is currently in the process of working out a rehabilitation scheme with the BIFR. Considering the financial position of the Company as at 30 June 2014 and the subsequent financial stress caused by the Alumeco Group withdrawing extended credit terms for supply of raw material, there exists significant uncertainty as to whether the Company will be able to continue as a going concern. The Management is in the process of evaluating available options to rehabilitate the Company under the aegis of BIFR / Operating Agency. The financial results for

the year ended 30 June 2014 have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or, to amounts or classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

Management's Reply:

The accumulated loss at the year end is Rs. 271.44 million which is more than 100% of the net worth of the Company. On the Company's reference to BIFR, it was declared Sick by the BIFR, which has appointed Canara Bank as the Operating Agency. The Alumeco Group, Denmark took a commercial decision to stop extending the facility of supplying raw material on credit to the Company, as was being done in the past. This decision coupled with the accumulated losses in the Company and the prevailing adverse business conditions (on account of liquidity crunch, labour problems, power cuts, poor order book position due to bad economic scenario, credit crunch in the market, etc.), has further strained the financial position of the Company. However, the Board of Directors and the Management of the Company are actively pursuing various available options to rehabilitate the Company under the aegis of BIFR/Operating Agency and currently believe that the Company would be in a position to continue as a going concern. Hence, these financial statements have been prepared under the going concern assumption.

2. Matter of Emphasis

1. *Note 2.25(h) which describes the uncertainty related to the outcome of the lawsuit filed against the Company by the workers regarding settlement of compensation amounting to Rs. 12.20 millions.*

Management Reply

During the year the Company has settled 34 workers out of 97 workers with mutual agreement on individual basis and the approximate liability regarding settlement compensation for remaining 63 workers is estimated to be Rs.12.20 million on the basis of earlier settlements. As the amount is not certain at this stage, provision is not made and shown as contingent liability.

2. *Note 2.27 (C) regarding waiver of interest payable on overdue bills to group company amounting to Rs. 4.74 millions.*

Management Reply

As per Trade Agreement between Alumeco Handlerservices GmbH and Alumeco India Extrusion Limited, Interest was to be paid on the overdue bills at the rate of 6 month USD libor plus seventy five basis points. During the year, Alumeco Handlerservices GmbH has waived off the entire interest payable on overdue bills amounting Rs. 4.74 millions.

3. *Note 2.29 regarding provision of gratuity (Rs. 5.79 millions) and compensated absences (Rs. 1.32 millions) is provided on actual basis and no actuarial valuation has been made as per the requirement of Accounting Standard - 15 – Employee Benefits.*

Management Reply

Since Company has already made application for closure, provision for gratuity and compensated absences has been made on actual basis. As at the end of the year, there is no employee on whom further gratuity liability is to be accrued. Hence no actuarial valuation is being done.

4. *Note 2.43 which describe reversal of excise provision amounting to Rs.29.53 millions made after obtaining views from excise consultants for the cases pending before Central Excise and Service Tax Appellate Tribunal (CESTAT). However the amount is exhibited in contingent liability.*

Management Reply

The Company has obtained the legal opinion from its excise consultants regarding the likely outcome of the case. As per the consultants opinion, the company has a fairly good case before CESTAT and even in the worst scenario the total liability should not be more than the amount of Rs. 19.5 million which is already deposited. Hence, the reversal of additional excise provision made earlier amounting Rs. 29.53 millions (on account of interest and penalty) is being done.

3. **Annexure to the Auditors' Report:**

1. **Clause No. (ix) (a):**

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs duty, Excise duty and other material statutory dues that were in arrears as at 30 June 2014 for a period of more than six months from the

date they became payable *except for income tax amounting to ` 3,015,288 which is outstanding for more than six months as at 30 June 2014*. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth Tax.

Management's Reply:

The amount of Rs. 3,015,288 is related to Minimum Alternate Tax provision for the earlier years. The Company is under BIFR. The payment is being taken up for waiver under the Rehabilitation Scheme.

2. Clause No. (x):

The accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the financial year and its immediately preceding financial year.

Management's Reply:

In view of the accumulated loss exceeding the net worth, the Company was referred to the BIFR and has been declared sick by the BIFR.

Cost Audit:

As the production of the company is closed since July, 2013, the Company has applied to Central Government for waiver of cost audit for the year 2013-2014.

Secretarial Audit:

As prescribed by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out Secretarial Audit at the end of every quarter, and the report is regularly submitted to the Bombay Stock Exchange.

Corporate Governance:

Report on Corporate Governance Pursuant to Clause 49 of the Listing Agreement, and Certificate on Compliance of Corporate Governance form part of this Report.

Business Responsibility Report (BRR)

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100 listed entities based on their market capitalization on Bombay Stock Exchange Limited as at March 31, 2014. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

Management Discussion and Analysis Report:

Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement is presented in a separate section in this Annual Report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

Relevant information as required by Section 217(1) (e) of the Companies Act, 1956, is at Annexure-I

Whole Time Director and Finance Manager Certification:

As required, the Whole Time Director and Finance Manager's Certification is at Annexure-II

Particulars of Employees Remuneration:

There was no employee, as on 30th June, 2014, drawing remuneration in excess of the limits laid down in Section 217 (2A) of the Companies Act, 1956.

Internal Audit:

Since the production of the Company is closed since July 2013, Internal Audit is not carried out during the year.

Listing of Securities:

The Company is listed on the Bombay Stock Exchange and is regular in paying the annual listing fee to the Stock Exchange.

Personnel:

The employee relations were cordial till June 30, 2014. Subsequently after withdrawal of support by Alumeco Group, Denmark, the Company has filed an application for closure of unit before the Government of Andhra Pradesh which has been rejected and the Company has gone in to appeal before the Hon'ble High Court of Andhra Pradesh which is pending hearing. The office staff has been reduced to minimal. The workers will be dealt as per the directions of the Court.

Acknowledgements:

The Directors acknowledge the contribution made by the employees towards the success of the Company. They thank the Company's valued customers for their continued patronage. They also acknowledge the support of the shareholders.

For and on behalf of the Board of Directors

Place: New Delhi

Ashish Kumar Gupta

Dated: 5th March 2015

Chairman

DIN: 00061551

Annexures to the Directors' Report

Annexure I

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo.

A. Conservation of Energy:

- (i) *Energy Conservation measures taken: Periodical reviews and studies are undertaken and implemented for Energy Saving. (ii) Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Presently, no investment is planned in this regard. (iii) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:* The impact of regular implementation of improvements for energy conservation can be noted in part (a) (B) of the table below.

a) Form - 'A'

(A) Power and Fuel Consumption:

| Particulars | | | | Year ended 30 th June, 2014 * | Year ended 30 th June, 2013 |
|-------------|----|-----|---------------------------------|---|---|
| 1 | | | Electricity | | |
| | a) | | Purchased Units | 36,850 | 3,391,090 |
| | | | Total Amount (Rs.) | 489,000 | 27,131,794 |
| | | | Avg. Cost/KWH (Rs.) | 13.27 | 8.00 |
| | | | Own Generation | | |
| | b) | i) | Through Diesel Generator | | |
| | | | Units (generated) | 100 | 280,513 |
| | | | Units/Liters of Diesel Oil | 0.95 | 2.48 |
| | | | Avg. Cost/Liters (Rs.) | 40.00 | 51.29 |
| | | ii) | Through Steam Turbine Generator | Nil | Nil |
| | | | Coal Consumption | Nil | Nil |
| 2 | | | Furnace oil (Liters) | Nil | 176,559 |
| | | | Total Amount (Rs.) | Nil | 75,96,778 |
| | | | Avg. Cost/Liters (Rs.) | Nil | 43.03 |
| 3 | | | Others/Internal Generation | Nil | Nil |

(B) Consumption per unit of Production:

| Particulars | Year ended 30 th June, 2014 * | Year ended 30 th June, 2013 |
|--|---|---|
| Products: Aluminum Alloy Extrusions (M.T.) | 20.906 | 4,008 |
| Electricity (KWH/M.T.) | 1767 | 1077 |
| Furnace Oil (Liters/ M.T. melted) | Nil | 104.41 |

* Till the closure of production i.e. 7th July 2013.

b) Form - 'B'

(a) *Specific areas in which R & D carried out by the Company. (b) Benefits derived as a result of the above R & D. (c) Future of plan action (d) Expenditure on R & D.*

The Company was getting full R & D support from its group company in Denmark, whose technical experts were visiting the plant and providing the necessary support from time to time till June 30, 2014.

B. Technology Absorption, Adaptation and Innovation

(a) *Efforts, in brief, made toward technology absorption, adaptation and innovation:* All efforts are being made in this regard with the help of experts who were visiting the plant regularly. (b) *Benefit derived as a result of the above effort, e.g., product improvements, cost reduction, product development, import substitution etc.:* It is a continuous process. (c) *In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished.* (i) Technology. (ii) Year of import. (iii) Has technology been fully absorbed? (iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: Not applicable in the absence of imported technology.

C. Foreign Exchange Earnings and Outgo

(in Rupees)

| Foreign Exchange: | 2013-2014 | 2012-2013 |
|-------------------|-----------|--------------|
| Outgo | - | 27,25,62,030 |
| Earned | - | 10,51,00,173 |

Annexure II

Certificate from the Whole Time Director & Finance Manager

We, Anand Parkash, Whole Time Director and Archit Agarwal, Finance Manager of Alumeco India Extrusion Limited, certify that:

- (a) We have reviewed financial statements and the cash flow statement for the period and that to the best of our knowledge and belief: (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading (ii) these statements give a true and fair view of the Company's affairs and of the results of operations and cash flow. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions were entered into by the Company during the year that is fraudulent, illegal or violates the Company's code of conduct.
- (c) We accept overall responsibility for the Company's internal control system for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of its adequacy and effectiveness. Internal audit interacts with all levels of Management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The Auditors' and the Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weaknesses.
- (d) We have indicated to the Auditors' and Audit Committee: (i) significant changes in internal control and overall financial reporting during the period; (ii) significant changes in accounting policies during the period ; (iii) instances of significant fraud of which we have become aware of and which involve Management or employees, who have significant role in the Company's internal control system over financial reporting. However, during the period there were no such changes or instances.

Date: 5th March 2015
Place: New Delhi

Anand Parkash
Whole Time Director
DIN: 02469989

Archit Agarwal
Finance Manager

CORPORATE GOVERNANCE

I. Company's Philosophy

We, at Alumeco India Extrusion Limited are committed to the concept of Corporate Governance as a means of effective internal control, fair and transparent decision making process and fullest support to the Board and the Management for enhancing customer satisfaction and shareholders' value.

II. Board of Directors

The Board comprised three directors as on 30th June, 2014, headed by Chairman, an independent director. The Board formulates policy so as to lead and direct the Company. The directors bring with them rich and varied experience in different fields of corporate functioning. The Board held Six meetings during the year ended on 30th June, 2014 i.e., on (i) 8th July, 2013, (ii) 28th August, 2013, (iii) 13th November, 2013 (iv) 3rd January, 2014 (v) 12th February, 2014 and (vi) 15th May, 2014.

Attendance at the meetings of the Board and at the last Annual General Meeting was as follows:

| Name of the Director | Category | No. of meetings held | No. of meetings attended | Last AGM attendance (Yes/ No) |
|------------------------|----------------------------------|----------------------|--------------------------|-------------------------------|
| Mr. Ashish Kumar Gupta | Chairman, Independent Director | 6 | 6 | YES |
| Mr. Anand Parkash* | Whole Time Director | 6 | 4 | YES |
| Mr. Hans Schweers | Foreign Promoter (Non-Executive) | 6 | Nil | No |

* Mr. Anand Parkash is appointed as director on 29th October, 2013.

Number of other Board or Board Committees of which the Company's Directors' are Members as on 30th June 2014:

| Name of the Director | No. of outside directorships held | | No. of other Board Committees * he/she is a member / chairperson | |
|------------------------|-----------------------------------|---------|--|-------------|
| | Public | Private | Member | Chairperson |
| Mr. Ashish Kumar Gupta | Nil | 1 | Nil | Nil |
| Mr. Hans Schweers | Nil | Nil | Nil | Nil |
| Mr. Anand Parkash | Nil | 1 | Nil | Nil |

* Viz., the Audit Committee, the Shareholders' Grievance Committee and the Remuneration / Compensation Committee. Only Indian Companies are considered.

III. Committees of the Board

1. Audit Committee

Brief description of Terms of Reference

The Audit Committee of the Board is responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible; and for reviewing the annual financial statements before submission to the Board. The Committee periodically reviews the adequacy of internal control systems.

The Committee interacts with the internal auditors to review the manner in which they are performing their responsibilities. The Committee holds discussion with external auditors before the commencement of statutory audit on the nature and scope of audit and ascertains areas of concern, and reviews their oral and written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. The Committee also reviews the quarterly and annual financial statements before they are submitted to the Board. The Committee comprises of the following directors as on 30th June 2014:

| | | |
|------------------------|----------|---------------------------------|
| Mr. Ashish Kumar Gupta | Chairman | Independent Director |
| Mr. Anand Parkash | Member | Whole-time Director |
| Mr. Hans Schweers | Member | Promoter Director Non Executive |

The Committee held four meetings during the period ended 30th June, 2014, i.e., on (i) 28th August, 2013, (ii) 13th November, 2013 (iii) 12th February, 2014 and (iv) 15th May, 2014.

2. Investors' Grievance & Share Transfer Committee

The Committee comprises of the following directors as on 30th June 2014:

| | | |
|------------------------|----------|---------------------------------|
| Mr. Ashish Kumar Gupta | Chairman | Independent Director |
| Mr. Anand Parkash | Member | Whole-time Director |
| Mr. Hans Schweers | Member | Promoter Director Non Executive |

The Committee held four meetings during the period ended 30th June, 2014, i.e., on (i) 28th August, 2013, (ii) 13th November, 2013 (iii) 12th February, 2014 and (iv) 15th May, 2014.

The status of the complaints / requests received from the shareholders is as follows:

| Status of complaints / requests | Nos. |
|------------------------------------|------|
| Pending as on 1st July, 2013 | NIL |
| Received during the year | NIL |
| Resolved / Disposed of during year | NIL |
| Pending as on 30th June, 2014 | NIL |

3. Remuneration Committee

The Committee comprises of the following directors as on 30th June 2014: :

| | | |
|------------------------|--------|----------------------------------|
| Mr. Ashish Kumar Gupta | Member | Independent Director |
| Mr. Anand Parkash | Member | Whole-time Director |
| Mr. Hans Schweers | Member | Promoter Director –Non-Executive |

The Remuneration Committee reviews the remuneration for the Board level appointees and recommends it to the Board.

Directors' remuneration:

The Whole-time Directors are remunerated as per their agreement with the Company. They do not get any sitting fee, which is paid only to Non-Executive Independent Directors. The total sitting fee for attending meetings of Board and its Committees, paid during the year was Rs. 280,000/- to Mr. Ashish Kumar Gupta, Rs 1,40,000/- to Prof. Laxmi Narain and Rs 20,000/- to Prof. Selvarani Balan. Promoter Directors are not paid any sitting fee.

Shareholding of Directors: The shareholding of Director as on 30th June 2014 is as under:

Ashish Kumar Gupta - 5000 shares

IV. General Body Meetings

i) Location, date and time of last three Annual General Meetings:

| Year | Location | Date | Time |
|------|--|------------|------------|
| 2013 | Registered Office and Works of the Company | 23.12.2013 | 11.30 A.M. |
| 2012 | Registered Office and Works of the Company | 12.12.2012 | 11.30 A.M. |
| 2011 | Registered Office and Works of the Company | 14.12.2011 | 11.00 A.M. |

(ii) Special resolutions passed in previous three AGM's:

225th AGM: Approval for Appointment of Mr. Anand Parkash, as Whole-time Director.

24th AGM: i. Appointment of Additional Director Mr. Selvarani Balan as Director of the Company
ii. Appointment of Additional Director Mr. Rakesh Gupta as Director of the Company. iii. Appointment of Additional Director Mr. Nand Kishore Khandelwal as Director of the Company
Approval for revision of remuneration to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer). iii. Approval for Appointment of Mr. Nand Kishore Khandelwal, as Whole-time Director re-designated as Deputy Managing Director. iv Approval for Appointment of Mr. Rakesh Gupta, as Whole-time Director re-designated as Director Marketing and sales.

23rd AGM: i. Re-appointment of Mr. Wolfgang Ormeloh as Managing Director of the Company for a period of two years. ii. Approval for revision of remuneration to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer). iii. Approval for revision of remuneration to Mr. Nand Kishore Khandelwal, Whole-time Director (Chief Financial Officer).

Management Discussion & Analysis Report: It is separately published in this Report.

V. Disclosures:

- As required by the Accounting Standard-18, details of related-party transactions are at point no. 2.27 of Notes on Accounts.
- The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI.
- No penalties were imposed or strictures passed against the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years, however there was some delay in submission of shareholding pattern as required under clause 35, Corporate Governance Report as required under clause 49 of listing agreement for the quarter ended December 2013 and Audited Financial Statements for the quarter and year ended June 2014. BSE had imposed penalty for these delays, however we have applied to BSE for waiver of the same.
- Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement, except the composition of Audit Committee. However, the company has been taking all steps to comply with the requirements.

VI. Means of Communication:

The Company's quarterly results are intimated to the Stock Exchange and to the Public. Generally the results are published in The Financial Express (National newspaper) and Andhra Prabha / Praja Shakti (Regional newspapers). The quarterly results are displayed on the website of the company: www.alumecoindia.com

VII. General Shareholder Information

- (i) *Annual General Meeting* will be held on 30th March, 2015 at 11.30 a.m. at the Registered Office of the Company situated at Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502 336.
- (ii) *Financial Year* of the Company is 1st July to 30th June.
- (iii) *Dates of Book Closure* will be from 28th March to 30th March 2015 (Both days inclusive)
- (iv) *Company's shares are listed* on the Bombay Stock Exchange.
- (v) *Stock Code* of the Company's scrip is 513309.
- (vi) *ISIN Code* is INE327C01023.
- (vii) *High & Low Market Price* during each month in the accounting year was as follows:

| Month (2013) | High | Low | Month (2014) | High | Low |
|--------------|------|------|--------------|------|------|
| Jul-13 | 9.07 | 5.52 | Jan-14 | 3.23 | 2.00 |
| Aug-13 | 11.2 | 6.86 | Feb-14 | 3.06 | 2.29 |
| Sep-13 | 6.52 | 4.34 | Mar-14 | 2.52 | 2.18 |
| Oct-13 | 4.26 | 3.65 | Apr-14 | 2.18 | 1.98 |
| Nov-13 | 3.79 | 2.67 | May-14 | 2.48 | 1.92 |
| Dec-13 | 3.36 | 2.18 | Jun-14 | 3.82 | 2.60 |

- (viii) *Registrar & Share Transfer Agents* of the Company is M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph. No. 040-23545913/14/15.
- (ix) *Share Transfer System*: The Registrar and Share Transfer Agents, M/s XL Softech Systems Limited handle share transfers under the overall supervision of the Shareholders' Grievance Committee.
- (x) *Distribution of Shareholding as of 30th June, 2014* was as follows:

| Category | No. of Shares | % Holding |
|---|---------------|-----------|
| a) Promoter and Promoter's Group Foreign Body Corporate | 7,500,000 | 60.50 |
| b) Public Shareholding | | |
| i. Foreign Institutional Investors | | |
| ii. Mutual Funds / UTI | 2,150 | 0.02 |
| iii. Bodies Corporate | 698,252 | 5.63 |
| iv. Non-Resident Indians / Overseas Bodies | 262,575 | 2.12 |
| v. Clearing Members | 5,102 | 0.04 |
| vi. Individuals | 3,929,034 | 31.69 |
| TOTAL | 12,397,113 | 100.00 |

- (xi) *Dematerialization of Shares & Liquidity*: To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are traded on the Bombay Stock Exchange Limited. As on 30th June 2014, 97.00 % shares were held in dematerialized form.
- (xii) *Compliance Officer*: Mr. Archit Agarwal
Ph. 99851-21834. e-mail: archit@alumecoindia.com
- (xiii) *Plant Location*: Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502 336.
- (xiv) *Address of correspondence*: Same as in (xiii) above.
- (xv) *Investor Relations*: All queries received from shareholders during the accounting year 2013-14 were responded adequately and in time (no queries/complaints during the year).
- (xvi) *Nomination Facility*: Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding, as permitted under the Companies Act, 1956/

Companies Act, 2013, are requested to submit their request in this regard to the Company's Share Transfer Agents M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034. Nomination facility in respect of shares held in electronic form is also available with the Depository Participant (DP) as per the by-laws and business rules applicable to NSDL and CDSL.

(xvii) *Detail of Unclaimed Shares:* Pursuant to Clause 5A (II) of the Listing Agreement, the Company has to transfer all the physical share certificates lying with the Company to the Suspense Account and also to dematerialize the same.

Postal Return cases as per the records of the registrar were initially transferred to Suspense Account. A demat account under the name 'Alumeco India Extrusion Limited - Unclaimed Suspense Account' was opened by the company and the unclaimed shares in respect of 1263 shareholders for 107887 equity shares were transferred to the said account on 06-April-2013.

Pursuant to Clause 5A of the Listing Agreement, the voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares will claim the shares.

| Particulars | No. of shareholders | No. of Equity Shares of Rs. 10 each |
|--|---------------------|-------------------------------------|
| Aggregate number of Shareholders and the outstanding shares lying in the unclaimed suspense Account at the end of the year | 1258 | 107537 |

VIII. Compliance:

In compliance with the terms of the Listing Agreement, a certificate from an Independent Practicing Company Secretary regarding compliance of the provisions of Clause 49 of the Listing Agreement is annexed to this Report.

Declaration on Code of Conduct

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 30th June 2014, as envisaged in clause 49 of the Listing Agreement.

Place: New Delhi
Date: 5th March, 2015

Anand Parkash
Whole-time Director
DIN: 02469989

Certificate on Compliance of Corporate Governance

To

The Members of

Alumeco India Extrusion Limited

We have examined the compliance of conditions of Corporate Governance by Alumeco India Extrusion Limited for the period ended on 30th June, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement, except the following:

1. Non-compliance with respect to composition of Audit Committee.
2. Some delay in submission of shareholding pattern as required under clause 35, Corporate Governance Report as required under clause 49 of listing agreement for the quarter ended December 2013 and Audited Financial Statements for the quarter and year ended June 2014.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad

Date: 5th March, 2015

Raghava Reddy Sadhu

Company Secretary in Practice

CP No. 12669

Management Discussion and Analysis Report:

(A) Industry Structure and Developments :

Aluminum extrusion industry in India constitutes of two segments viz. Primary and Secondary extrusion manufactures. The Primary producers produce alumina, aluminum metal and also the further value added products such as ingots, wire rods, billets, rolled products, extrusions etc. There are presently three large integrated players in India namely (1) Hindalco Industries Limited, (2) National Aluminium Company Limited, and (3) Sterlite Industries (India) Limited.

The Secondary aluminum extrusion manufacturers buy aluminum metal from primary producers or alternatively import metal and manufacture extrusions. Your Company is one of the important secondary aluminum extrusion manufacturers in the country.

Aluminum is versatile metal and can be given any shape easily. This with its high strength to weight ratio, provides a vast scope for innovative designs and newer applications. With advancement of technology, aluminum extrusion

is finding new applications and has a very promising future.

India has the fifth largest bauxite reserves with deposits of about three billion tons or 5% of world deposits. India's share in world aluminium production capacity is about 3%. Production of one ton of aluminium requires two tons of alumina, while production of one ton of alumina requires two to three tons of bauxite. Since India has large reserves of bauxite, there is a vast scope for the growth of aluminium industry.

(B) Opportunities and Threats:

The per capita consumption of aluminium in India is less than 1.00 kg as against nearly 25-30 kgs in the US and Europe, 15 kgs in Japan, 10 kgs in Taiwan and 3 kgs in China. The key consumer industries in India are electrical, transportation, consumer durables, packaging and construction. Demand for aluminium is estimated to grow at 6-8% per annum or even more as the scenario improves for user industries like Power, Infrastructure and Transportation. On the other hand, availability of cheaper substitutes and low awareness of the customers regarding the aesthetics and durability of extrusions, come in the way of achieving higher growth.

Further, the Alumeco Group, Denmark took a commercial decision to stop extending the facility of supplying raw material on credit to the Company, as was being done in the past. This decision has further strained the financial position of the Company. However, the Board of Directors and the Management of the Company are actively pursuing various available options to rehabilitate the Company under the aegis of BIFR/Operating Agency.

(C) Segment or Product wise Performance:

The Company is engaged in only one segment namely aluminium extrusions.

(D) Outlook:

Electrical, infrastructure, automobile and transportation account for almost three fourths of domestic aluminium consumption. Investments in the power generation and transmission, automobile and transportation sectors are expected to drive the growth of the aluminium industry.

However, due to high inflation and interest rates the economic growth is slower thereby generating lesser demand for the Company's products. This situation along with the accumulated losses of the Company has forced the Alumeco Group, Denmark to take the commercial decision to stop extending the facility of supplying raw material on credit to the Company, as was being done in the past. However, the Board of Directors and the Management of the Company are actively pursuing various available options to rehabilitate the Company under the aegis of BIFR/Operating Agency.

(E) Risks and Concerns:

Unhealthy competition from the un-organized sector and volatile prices of aluminium and consequent demand are matters of concern.

The sudden stoppage of supplies of raw material on credit by Alumeco Group, Denmark has further strained the financial situation of the Company and it was forced to close its

operations, the Board of Directors and the Management of the Company is actively pursuing various available options to rehabilitate the Company under the aegis of BIFR/Operating Agency.

(F) Discussion on Financial Performance with respect to Operational Performance:

As the Alumeco Group, Denmark took a commercial decision to stop extending the facility of supplying raw material on credit to the Company, as was being done in the past. This decision, coupled with the accumulated losses in the company and the prevailing adverse business conditions further strained the financial position of the Company. The Company had stopped production in July 2013. The Revenues upto the date of closure is Rs. 21.97 million as against Rs. 665.54 million in the previous year.

(G) Material developments in Human Resources / Industrial Relations front:

Due to withdrawal of support by the parent Company, the operations were closed since July 2013. Hence, the staff has been minimized and a closure application was filed before the Government of Andhra Pradesh for removal of workmen which got rejected and the Company has gone in appeal against it before the Hon'ble High Court of Andhra Pradesh, which is pending for hearing.

Cautionary Statement:

The statements in this section describe the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other incidental factors.

INDEPENDENT AUDITORS' REPORT

To

The members of Alumeco India Extrusion Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Alumeco India Extrusion Limited ("the Company"), which comprises of the Balance Sheet as at 30 June 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") to the extent applicable. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

As more fully explained in note 2.24 to the financial statements that the Company has accumulated losses of Rs. 271,440,790 as at 30 June 2014 which have exceeded the paid up capital and reserves (Rs. 160,522,805) of the Company at that date. The Company had been declared sick on 9 February 2010 and had made a reference to the Board for Industrial & Financial Reconstruction (BIFR) in terms of Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. It is currently in the process of working out a rehabilitation scheme with the BIFR. Considering the financial position of the Company as at 30 June 2014 and the subsequent financial stress caused by the Alumeco Group withdrawing extended credit terms for supply of raw material, there exists significant uncertainty as to whether the Company will be able to continue as a going concern. The Management is in the process of evaluating available options to rehabilitate the Company under the aegis of BIFR / Operating Agency. The financial results for the year ended 30 June 2014 have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or, to amounts or classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

Matter of Emphasis

We draw attention to the following matters as stated in notes to the financial statements

1. Note 2.25(h) which describes the uncertainty related to the outcome of the lawsuit filed against the Company by the workers regarding settlement of compensation amounting to Rs. 12.20 millions.
2. Note 2.27 (C) regarding waiver of interest payable on overdue bills to group company amounting to Rs. 4.74 millions.
3. Note 2.29 regarding provision of gratuity (Rs. 5.79 millions) and compensated absences (Rs. 1.32 millions) is provided on actual basis and no actuarial valuation has been made as per the requirement of Accounting Standard -15 – Employee Benefits.
4. Note 2.43 which describe reversal of excise provision amounting to Rs.29.53 millions made after obtaining views from excise consultants for the cases pending before Central Excise and Service Tax Appellate Tribunal (CESTAT). However the amount is

exhibited in contingent liability.

Our opinion is not qualified in respect of matters as stated above.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph (amount of which is not ascertainable), the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) *in the case of the Balance Sheet, of the state of affairs of the Company as at 30 June 2014;*
- (b) *in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date; and*
- (c) *in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act, to the extent applicable;
 - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 30 June 2014 from being appointed as a

director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

for Laxminiwas & Jain
Chartered Accountants

Firm's registration number: 001859S

Place: Hyderabad Laxminiwas Sharma
Date: 2nd February 2015 Partner
Membership No: 014244

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in the Independent Auditors' Report to the Members of Alumeco India Extrusion Limited ("the Company") on the financial statements for the year ended 30 June 2014. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets. However since the production is closed since July 2013 and it is unlikely to do the physical verification on a regular interval.
- (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) There is no inventory except stores and spares items which are under controlled environment. Hence no physical verification has been done on regular intervals. Therefore Clause (ii)(b) of Paragraph 4 is not applicable.
- (c) The Company has maintained proper records of inventory.
- (iii) (a) The Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). Accordingly, clauses 4(iii)(a) to 4(iii)(g) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventories, services and fixed

assets and for the sale of goods. The activities of the Company do not involve sale of services. We have not observed any major weakness in the internal control system during the course of the audit.

- (v) (a) In our opinion, and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that Section. However no contracts or arrangements are made during the period, so clause (v)(b) of paragraph not applicable
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has no internal audit system as the operations are closed since July 2013.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under Section 209(1)(d) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained till the date of closure of operations. However, we have not made a detailed examination of the records.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including

Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs duty, Excise duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth Tax.

According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, Customs duty, Excise duty and other material statutory dues that were in arrears as at 30 June 2014 for a period of more than six months from the date they became payable *except for income tax amounting to ₹ 3,015,288 which is outstanding for more than six months as at 30 June 2014*. As explained to us, the Company did not have any dues on account of Investor Education and Protection Fund and Wealth Tax.

- (b) According to the information and explanations given to us, there are no dues of Service tax and Customs duty which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income tax, Sales tax and Excise duty have not been deposited by the Company on account of disputes:

| Name of the Statute | Nature of the Dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|-----------------------------|----------------------|--------------------------|------------------------------------|--------------------------------|
| Central Excise Act, 1944 | Interest and Penalty | 49,064,648 (19,532,324)* | 2002- 05 | CESTAT, Bangalore |
| Central Sales Tax Act, 1956 | Central Sales Tax | 1,250,000 (1,000,000)* | 2001-02 | High court, Andhra Pradesh |
| Central Excise Act, 1944 | Interest and Penalty | 7,347,402 (3,268,218)* | 2005-06 | CESTAT, Bangalore |
| Central Excise Act, 1944 | Interest and Penalty | 773,800 (355,356)* | 2006-11 | CESTAT, Bangalore |

* The amounts in parenthesis represent the payment made under protest.

- (x) *The accumulated losses at the end of the financial year are more than 50% of its net worth. The Company has incurred cash losses in the financial year and its immediately preceding financial year.*

- (xi) The Company did not have any dues to any financial institution, banks or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund /nidhi/ mutual benefit fund/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the term loan taken by the Company in earlier years has been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no short term funds have been used for long-term purposes.
- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for Laxminiwas & Jain
Chartered Accountants

Firm's registration number: 001859S

Place: Hyderabad

Laxminiwas Sharma

Date: 2nd February 2015

Partner

Membership No: 014244

Balance sheet as at 30 June 2014

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | Notes | As at 30 June 2014 ₹ | As at 30 June 2013 ₹ |
|-----------------------------------|-------|----------------------------|----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 2.1 | 158,211,130 | 158,211,130 |
| (b) Reserves and surplus | 2.2 | (269,129,115) | (250,214,872) |
| | | <u>(110,917,985)</u> | <u>(92,003,742)</u> |
| Non-current liabilities | | | |
| (a) Long-term provisions | 2.3 | <u>3,115,521</u> | <u>34,334,845</u> |
| | | 3,115,521 | 34,334,845 |
| Current liabilities | | | |
| (a) Trade payables | 2.4 | 155,105,696 | 192,485,029 |
| (b) Other current liabilities | 2.5 | 17,230,908 | 32,237,753 |
| (c) Short-term provisions | 2.6 | <u>7,106,736</u> | <u>11,941,000</u> |
| | | <u>179,443,340</u> | <u>236,663,782</u> |
| TOTAL | | <u>71,640,876</u> | <u>178,994,885</u> |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | 2.7 | | |
| - Tangible assets | | 44,311,307 | 51,998,814 |
| - Intangible assets | | 912,183 | 1,559,940 |
| - Capital work-in-progress | | 7,287,755 | 7,287,776 |
| (b) Long-term loans and advances | 2.8 | 8,206,110 | 14,018,788 |
| (c) Other non-current assets | 2.9 | - | 572,308 |
| | | <u>60,717,355</u> | <u>75,437,626</u> |
| Current Assets | | | |
| (a) Inventories | 2.10 | 5,722,410 | 26,620,069 |
| (b) Trade receivables | 2.11 | 17,474 | 52,280,972 |
| (c) Current Investments | 2.12 | 299,457 | - |
| (d) Cash and cash equivalents | 2.13 | 172,219 | 14,328,631 |
| (e) Short-term loans and advances | 2.14 | <u>4,711,961</u> | <u>10,327,587</u> |
| | | <u>10,923,521</u> | <u>103,557,259</u> |
| TOTAL | | <u>71,640,876</u> | <u>178,994,885</u> |

Significant accounting policies and notes on accounts¹ & 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

for Laxminiwas & Jain
Chartered Accountants
Firm's Registration number: 001859S

for Alumeco India Extrusion Limited

Laxminiwas Sharma
Partner
Membership number: 014244

Ashish Kumar Gupta
Chairman
DIN: 00061551

Anand Parkash
Whole Time Director
DIN: 02469989

Place: Hyderabad
Date: 2nd February, 2015

Archit Agarwal
Finance Manager

Statement of Profit and Loss for the year ended 30 June 2014
(All amounts are in Indian Rupees except for share data or otherwise stated)

| | Notes | For the year ended 30 June 2014 ₹ | For the year ended 30 June 2013 ₹ |
|--|-------|---|---|
| INCOME | | | |
| Revenue from operations | 2.15 | 19,474,933 | 656,599,787 |
| Other income | 2.16 | 2,493,591 | 8,941,543 |
| Total revenue | | <u>21,968,524</u> | <u>665,541,330</u> |
| EXPENSES | | | |
| Cost of materials consumed | 2.17 | 5,597,786 | 531,921,098 |
| Changes in inventories of finished goods and work in progress | 2.18 | 13,724,603 | 10,527,158 |
| Manufacturing expenses | 2.19 | 7,264,897 | 58,743,535 |
| Employee benefits expense | 2.20 | 23,954,431 | 55,986,570 |
| Finance costs | 2.21 | 161,296 | 2,705,604 |
| Depreciation/ amortisation | 2.7 | 8,215,472 | 13,126,391 |
| Other expenses | 2.22 | 12,230,525 | 35,921,446 |
| Foreign exchange loss, net | | 2,170,432 | 11,284,047 |
| Total expenses | | <u>73,319,442</u> | <u>720,215,849</u> |
| Profit / (loss) before Exceptional items and Tax | | (51,350,918) | (54,674,519) |
| <u>Exceptional Items</u> | | | |
| Reversal of Provisions | 2.23 | 32,436,675 | - |
| Profit / (loss) before Tax | | (18,914,243) | (54,674,519) |
| Tax expenses | | | |
| - Current tax expense | | - | - |
| - Deferred tax expense | | - | - |
| - Profit / (loss) for the year | | <u>(18,914,243)</u> | <u>(54,674,519)</u> |
| Earnings per share (equity shares, par value ₹ 10 each) | | | |
| Basic (₹) | 2.31 | -1.85 | -4.73 |
| Diluted (₹) | | -1.85 | -4.73 |

Significant accounting policies and notes on accounts 1 & 2

As per our report of even date attached.

for Laxminiwas & Jain
Chartered Accountants
Firm's Registration number: 001859S

for Alumeco India Extrusion Limited

Laxminiwas Sharma
Partner
Membership number: 014244

Ashish Kumar Gupta
Chairman
DIN: 00061551

Anand Parkash
Whole Time Director
DIN: 02469989

Place: Hyderabad
Date: 2nd February, 2015

Archit Agarwal
Finance Manager

Cash Flow Statement for the year ended 30 June 2014
(All amounts are in Indian Rupees except for share data or otherwise stated)

| | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|---|------------------------------------|------------------------------------|
| | ₹ | ₹ |
| Cash flows from operating activities | | |
| Profit / (loss) before tax | (18,914,243) | (54,674,519) |
| Adjustments: | | |
| Depreciation | 8,215,472 | 13,126,391 |
| Interest income | (122,184) | (1,368,241) |
| Finance expense | 161,296 | 2,705,604 |
| Profit on sale of investments, net | (1,923,021) | (319,212) |
| Loss on sale of fixed assets, net | 33,086 | 1,054,593 |
| Unrealised foreign exchange loss/(gain) | 31,973,035 | 12,137,317 |
| Operating cash flows before working capital changes | 19,423,441 | (27,338,067) |
| Sundry debtors | 52,263,498 | 24,240,289 |
| Loans and advances | 11,777,218 | 10,856,125 |
| Inventories | 20,897,659 | 29,342,377 |
| Current liabilities and provisions | (113,638,831) | (43,277,993) |
| Cash generated from operations | (9,277,015) | (6,177,269) |
| Income taxes paid | (4,593) | (129,372) |
| Net cash provided by operating activities | (9,281,608) | (6,306,641) |
| Cash flows from investing activities | | |
| Purchase of fixed assets | (37,832) | (7,265,145) |
| Proceeds from sale of fixed assets | 124,559 | - |
| Purchase of investments | (65,000,000) | (20,000,000) |
| Proceeds from sale of investments | 66,623,564 | 39,572,768 |
| Interest received | 350,171 | 2,010,308 |
| Net cash used in investing activities | 2,060,462 | 14,317,931 |
| Cash flows from financing activities | | |
| Repayment of long term borrowings | (1,325,490) | (2,583,320) |
| Interest paid | (5,609,776) | (753,786) |
| Net cash used in financing activities | (6,935,266) | (3,337,106) |
| Net increase / (decrease) in cash and cash equivalents | (14,156,412) | 4,674,184 |
| Cash and cash equivalents at the beginning of the year | 14,328,631 | 9,654,447 |
| Effect of exchange gain/(loss) on cash and cash equivalents | - | - |
| Cash and cash equivalents at the end of the year | 172,219 | 14,328,631 |
| Note 1: | | |
| Cash and cash equivalents comprise: | | |
| Cash in hand | 13,880 | 159,855 |
| Balances with scheduled banks | | |
| - in current account | 158,339 | 14,168,776 |
| - in exchange earner's foreign currency account | - | - |
| | 172,219 | 14,328,631 |

As per our report of even date attached.

for Laxminiwas & Jain
Chartered Accountants
Firm's Registration number: 001859S

for Alumeco India Extrusion Limited

Laxminiwas Sharma
Partner
Membership number: 014244

Ashish Kumar Gupta
Chairman
DIN: 00061551

Anand Parkash
Whole Time Director
DIN: 02469989

Place: Hyderabad
Date: 2nd February, 2015

Archit Agarwal
Finance Manager

Notes on Accounts

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | As at 30 June 2014 ₹ | As at 30 June 2013 ₹ |
|---|----------------------------|----------------------------|
| 2.1 Share capital | | |
| Authorised | | |
| 12,500,000 (30 June 2013 : 12,500,000) equity shares of ₹ 10 each | 125,000,000 | 125,000,000 |
| 3,500,000 (30 June 2013 : 3,500,000) preference shares of ₹ 10 each | 35,000,000 | 35,000,000 |
| | <u>160,000,000</u> | <u>160,000,000</u> |
| Issued, subscribed and paid-up capital | | |
| 12,397,113 (30 June 2013 : 12,397,113) equity shares of ₹ 10 each fully paid | 123,971,130 | 123,971,130 |
| 3,424,000 (30 June 2013 : 3,424,000) 10% cumulative redeemable optionally convertible preference shares of ₹ 10 each fully paid | 34,240,000 | 34,240,000 |
| | <u>158,211,130</u> | <u>158,211,130</u> |

Notes :

1. Issued, subscribed paid-up capital includes:

a) 7,500,000 (30 June 2013: 7,500,000) equity shares held by OSI India Holding A/S, Denmark (holding company).

b) 3,424,000 (30 June 2013: 3,424,000) preference shares held by Alumeco A/S, Denmark (holding company of OSI India Holding A/S, Denmark).

2. The details of shareholder holding more than 5% equity shares along with number of equity shares held is set below:

| Name of the shareholder | As at 30 June 2014 | | As at 30 June 2013 | |
|--|--------------------|------------------|--------------------|------------------|
| | % | Number of shares | % | Number of shares |
| OSI India Holding A/S, Denmark (holding company) | 60.50 | 7,500,000 | 60.50 | 7,500,000 |

3. The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period is set below:

| Particulars | As at 30 June 2014 | | As at 30 June 2013 | |
|------------------------------------|--------------------|-------------|--------------------|-------------|
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year | 12,397,113 | 123,971,130 | 12,397,113 | 123,971,130 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 12,397,113 | 123,971,130 | 12,397,113 | 123,971,130 |

4. Terms and rights attached to the equity shares: The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by equity shareholders.

5. The details of shareholder holding more than 5% of 10% cumulative redeemable optionally convertible preference shares along with number of shares held is set below:

| Name of the shareholder | As at 30 June 2014 | | As at 30 June 2013 | |
|---|--------------------|------------------|--------------------|------------------|
| | % | Number of shares | % | Number of shares |
| Alumeco A/S, Denmark (holding company of OSI India Holding A/S, Denmark) | 100.00 | 3,424,000 | 100.00 | 3,424,000 |

6. The reconciliation of 10% cumulative redeemable optionally convertible preference shares outstanding at the beginning and at the end of the reporting period is set below:

| Particulars | As at 30 June 2014 | | As at 30 June 2013 | |
|------------------------------------|--------------------|------------|--------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| At the beginning of the year | 3,424,000 | 34,240,000 | 3,424,000 | 34,240,000 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 3,424,000 | 34,240,000 | 3,424,000 | 34,240,000 |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

7. Terms and rights attached to the 10% cumulative redeemable optionally convertible preference shares:

10% Cumulative Redeemable Optionally Convertible Preference Shares (CRCPS) of ₹ 10 each had been allotted by the Company in the year 2005. As per the terms of the arrangement these preference shares including unpaid dividend could be converted into ordinary equity shares of the Company of Rs 10 each at any time after 3 years from date of allotment or could be redeemed by the Company at par in three equal installments commencing from the end of 5th, 6th and 7th year from the date of allotment. During the year 2009-10, the Company had obtained extension of redemption period by 3 years from the preference shareholders (i.e. redemption at end of 8th, 9th and 10th year from the date of allotment). Further extension of redemption period by 3 years has been obtained with all other terms remaining unaltered. Accordingly, these preference shares shall now be redeemed by the Company at par in three equal installments commencing from the end of 11th, 12th and 13th year from the date of allotment. No conversion option has been exercised so far.

| | As at 30 June 2014 | As at 30 June 2013 |
|--|-----------------------|-----------------------|
| 2.2 Reserves and surplus | | |
| <i>Capital investment subsidy</i> | | |
| At the beginning and at the end of the year | 306,000 | 306,000 |
| <i>Capital reserve</i> | | |
| At the beginning and at the end of the year | 8,500 | 8,500 |
| <i>Securities premium reserve</i> | | |
| At the beginning and at the end of the year | 1,997,175 | 1,997,175 |
| <i>Surplus/(Deficit) in the Statement of Profit and Loss</i> | | |
| Opening balance | (252,526,547) | (197,852,028) |
| Add : Profit/(loss) for the year | (18,914,243) | (54,674,519) |
| Closing balance | (271,440,790) | (252,526,547) |
| | <u>(269,129,115)</u> | <u>(250,214,872)</u> |

2.3 Provisions

Long-term Provisions

Provision for employee benefits

| | | |
|--------------------------------------|---|---------|
| - Provision for gratuity | - | 791,000 |
| - Provision for compensated absences | - | 896,000 |

Others

| | | |
|---|------------------|-------------------|
| - Taxation [net of advance tax ₹ 149,767 (30 June 2013 : ₹ 149,767)] | 2,865,521 | 2,865,521 |
| - Excise duty and sales tax matters (refer note 2.43) | 250,000 | 29,782,324 |
| | <u>3,115,521</u> | <u>44,066,866</u> |

2.4 Trade payable

| | | |
|--|--------------------|--------------------|
| - Due to micro and small enterprises (refer note 2.32) | - | - |
| - Other | 155,105,696 | 192,485,029 |
| | <u>155,105,696</u> | <u>192,485,029</u> |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | As at 30 June 2014 | As at 30 June 2013 |
|--|-----------------------|-----------------------|
| 2.5 Other current liabilities | | |
| <i>Related parties</i> | | |
| Interest accrued and due [Refer Note No. 2.27(C)] | - | 5,448,480 |
| <i>Others</i> | | |
| Current maturities of long-term debts | - | 1,325,490 |
| Security Deposits | 2,242,604 | 2,747,296 |
| Accrued salaries, wages and bonus [Refer Note No. 2.25(h)] | 413,513 | 3,142,106 |
| Advance from customers | 2,566,064 | 2,757,746 |
| Accrued expenses | 8,649,852 | 11,252,573 |
| Payable to Customs / Excise Authorities | 3,268,218 | 3,268,218 |
| Statutory liabilities | 90,657 | 2,220,453 |
| Other liabilities | - | 75,391 |
| | <u>17,230,908</u> | <u>32,237,753</u> |
| 2.6 Short-term Provisions | | |
| <i>Provision for employee benefits (Refer Note No. 2.29)</i> | | |
| - Provision for gratuity | 5,790,798 | 8,620,000 |
| - Provision for compensated absences | 1,315,938 | 3,321,000 |
| | <u>7,106,736</u> | <u>11,941,000</u> |

Notes on Accounts (continued)
(All amounts are in Indian Rupees except for share data or otherwise stated)

2.7 Fixed Assets

| Description | Gross block | | | Accumulated depreciation | | | Net block | |
|---------------------------|----------------------|---------------|----------------|--------------------------|------------------------|---------------|-----------------------|-----------------------|
| | As at 1 July 2013 | Additions | Deletions | As at 30 June 2014 | Charge for the year | Deletions | As at 30 June 2014 | As at 30 June 2013 |
| Tangible, owned | | | | | | | | |
| Land | 796,371 | - | - | 796,371 | - | - | 796,371 | 796,371 |
| Buildings | | | | | | | | |
| - Factory buildings | 20,793,198 | - | - | 20,793,198 | 694,493 | - | 10,623,174 | 11,317,667 |
| - Non factory buildings | 10,411,290 | - | - | 10,411,290 | 169,704 | - | 7,851,771 | 8,021,475 |
| Plant and machinery | 149,494,013 | - | - | 149,494,013 | 1,365,015 | - | 10,668,141 | 12,033,156 |
| Dies | 51,947,908 | 37,832 | 179,072 | 51,806,668 | 4,432,474 | 36,636 | 7,319,132 | 11,856,210 |
| Electrical installation | 16,244,975 | - | - | 16,244,975 | 109,956 | - | 1,526,427 | 1,636,383 |
| Furniture and fittings | 2,518,901 | - | - | 2,518,901 | 150,695 | - | 1,405,834 | 1,556,529 |
| Office equipment | 2,129,838 | - | - | 2,129,838 | 96,848 | - | 1,255,688 | 1,352,536 |
| Computers | 3,311,920 | - | 28,127 | 3,283,793 | 264,258 | 12,941 | 880,522 | 1,159,966 |
| Vehicles | 2,992,358 | - | - | 2,992,358 | 284,274 | - | 1,984,247 | 2,268,521 |
| | 260,640,772 | 37,832 | 207,199 | 260,471,405 | 7,567,715 | 49,577 | 44,311,307 | 51,998,814 |
| Intangibles, owned | | | | | | | | |
| Computer Software | 3,238,784 | - | - | 3,238,784 | 647,757 | - | 912,183 | 1,559,940 |
| | 3,238,784 | - | - | 3,238,784 | 647,757 | - | 912,183 | 1,559,940 |
| Total | 263,879,556 | 37,832 | 207,199 | 263,710,189 | 8,215,472 | 49,577 | 45,223,490 | 53,558,754 |
| Previous year | 260,383,895 | 6,910,097 | 3,414,436 | 263,879,556 | 13,126,391 | 2,359,843 | 210,320,802 | 53,558,754 |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | As at 30 June 2014 | As at 30 June 2013 |
|---|-----------------------|-----------------------|
| 2.8 Long-term loans and advances <i>Unsecured, considered good</i> | | |
| Security deposits | 296,241 | 4,823,682 |
| Other loans and advances | | |
| - Advance income taxes | 491,990 | 487,397 |
| {provision for tax ` 149,767 (30 June 2013: ` 149,767)} | | |
| - Prepaid expenses | - | 1,746 |
| - Balances with excise and sales tax authorities | 7,417,879 | 8,705,963 |
| | <u>8,206,110</u> | <u>14,018,788</u> |
| 2.9 Other non-current assets | | |
| Restricted deposits (refer note 1) | - | 548,901 |
| Interest accrued but not due on restricted deposits | - | 23,407 |
| | <u>-</u> | <u>572,308</u> |
| Note 1: | | |
| Restricted deposited represents fixed deposit against lien for corporate credit card made with Axis Bank. | | |
| 2.10 Inventories (at lower of cost or net realisable value) | | |
| Raw material | - | 5,543,742 |
| Work-in-progress | - | 4,452,458 |
| Finished goods | - | 10,421,724 |
| Stores, spares and consumables | 5,722,410 | 6,202,145 |
| | <u>5,722,410</u> | <u>26,620,069</u> |
| 2.11 Trade receivables | | |
| Debtors outstanding for a period exceeding six months from the date they became due for payment | | |
| - Secured, considered good | | |
| Other debts | | |
| - Unsecured, considered good | 17,474 | 52,280,972 |
| - Doubtful | 494,163 | - |
| | <u>511,637</u> | <u>52,280,972</u> |
| Less : Provision for doubtful debts | (494,163) | - |
| | <u>17,474</u> | <u>52,280,972</u> |
| 2.12 Current Investments | | |
| Investments in mutual funds | 299,457 | - |
| Less : Provision for diminution in the value of investments | - | - |
| | <u>299,457</u> | <u>-</u> |
| Note : | | |
| 1. The details of aggregate amount of quoted investments is set below: | | |

| Particulars | As at 30 June 2014 | As at 30 June 2013 |
|--|-----------------------|-----------------------|
| "Aggregate amount of quoted investments [Market value of ` 3,12,031 (previous year ` Nil)]" | 299,457 | - |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2. Details of current investments made along with the basis of valuation is set below:

| Sl. No. | Name of the body corporate | As at 30 June 2014 | | As at 30 June 2013 | | Basis of valuation |
|---------|--|--------------------|---------|--------------------|--------------------|-----------------------------|
| | | No. of units | Amount | No. of units | Amount | |
| 1 | Investments in mutual funds Axis treasury Advantage fund-growth | 213.764 | 299,457 | - | - | Lower of Cost or fair value |
| | | | | As at 30 June 2014 | As at 30 June 2013 | |
| 2.13 | Cash and cash equivalents | | | | | |
| | Cash in hand | | | 13,880 | 159,855 | |
| | Balances with scheduled banks | | | | | |
| | - in current account | | | 158,339 | 14,168,776 | |
| | - in exchange earner's foreign currency account | | | - | - | |
| | | | | <u>172,219</u> | <u>14,328,631</u> | |
| | Balance in banks with more than 12 months maturity | | | - | - | |
| 2.14 | Short-term loans and advances | | | | | |
| | <i>Unsecured, considered good</i> | | | | | |
| | Advance to material supplier / Others | | | - | 1,150,612 | |
| | Other loans and advances | | | | | |
| | - Interest accrued but not due | | | - | 204,580 | |
| | - Quantity discount receivable | | | - | - | |
| | - Prepaid expenses | | | 271,185 | 2,153,670 | |
| | - Balance with customs/ excise authorities | | | 3,630,852 | 5,198,509 | |
| | - Deposits with customs authorities | | | - | - | |
| | - Advance to employees | | | 809,924 | 1,620,216 | |
| | | | | <u>4,711,961</u> | <u>10,327,587</u> | |
| 2.15 | Revenue from operations | | | | | |
| | Sale of goods - manufactured | | | 15,353,105 | 720,243,839 | |
| | Less : Excise duty | | | (2,386,989) | (66,987,755) | |
| | | | | <u>12,966,116</u> | <u>653,256,084</u> | |
| | Other operating revenue | | | | | |
| | - Scrap sales | | | 4,934,982 | 3,006,653 | |
| | - Sale of Raw Material and Stores, Spares and Consumables | | | 1,573,835 | 175,250 | |
| | - Jobwork income | | | - | 161,800 | |
| | | | | <u>19,474,933</u> | <u>656,599,787</u> | |
| 2.16 | Other income | | | | | |
| | Interest income on deposits | | | - | 435,771 | |
| | Interest income | | | 122,184 | 932,470 | |
| | Profit on sale of investments, net | | | 1,923,021 | 319,212 | |
| | Foreign exchange gain, net | | | - | - | |
| | Liability written back | | | - | 552,304 | |
| | Forfeiture of the deposits | | | - | 5,697,491 | |
| | Miscellaneous income | | | 448,386 | 1,004,295 | |
| | | | | <u>2,493,591</u> | <u>8,941,543</u> | |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | As at 30 June 2014 | As at 30 June 2013 |
|---|--------------------------|---------------------------|
| 2.17 Cost of materials consumed | | |
| Opening stock of raw material | 5,543,742 | 18,062,162 |
| Add : Purchases | 54,044 | 519,402,678 |
| | <u>5,597,786</u> | <u>537,464,840</u> |
| Less : Closing stock | - | 5,543,742 |
| | <u><u>5,597,786</u></u> | <u><u>531,921,098</u></u> |
| 2.18 Changes in inventories of finished goods and work-in-progress | | |
| Opening work-in-progress | 4,452,458 | 9,648,345 |
| Opening finished goods | 10,421,724 | 16,084,695 |
| | <u>14,874,182</u> | <u>25,733,040</u> |
| Closing work-in-progress | - | 4,452,458 |
| Closing finished goods | - | 10,421,724 |
| | <u>-</u> | <u>14,874,182</u> |
| Adjustment for excise duty on stock | (1,149,579) | (331,700) |
| Net increase / (decrease) in stock | <u><u>13,724,603</u></u> | <u><u>10,527,158</u></u> |
| 2.19 Manufacturing expenses | | |
| Stores, spares and consumables consumed | 107,885 | 14,824,712 |
| Power and fuel | 6,257,965 | 40,530,764 |
| Repairs and maintenance | | |
| - Buildings | 7,060 | 126,982 |
| - Plant and machinery | 101,965 | 467,244 |
| - Others | 21,500 | 726,087 |
| Loss on fixed assets discarded/disposed, net | 33,086 | 1,054,593 |
| Other manufacturing expenses | 735,436 | 1,013,153 |
| | <u><u>7,264,897</u></u> | <u><u>58,743,535</u></u> |
| 2.20 Employee benefits expense | | |
| Salaries, wages and bonus | 14,241,400 | 41,792,409 |
| Contribution to provident and other funds | 1,002,624 | 3,709,870 |
| Retirement benefits (Refer Note No. 2.29) | 8,526,817 | 9,435,243 |
| Staff welfare | 183,590 | 1,049,048 |
| | <u><u>23,954,431</u></u> | <u><u>55,986,570</u></u> |
| 2.21 Finance costs | | |
| Interest on term loans | 17,590 | 92,478 |
| Interest - others | 45,644 | 2,522,154 |
| Bank charges | 98,062 | 90,972 |
| | <u><u>161,296</u></u> | <u><u>2,705,604</u></u> |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

| | As at 30 June 2014 | As at 30 June 2013 |
|---|-----------------------|-----------------------|
| 2.22 Other expenses | | |
| Freight | 52,483 | 8,014,827 |
| Stores, spares and consumables written off | - | 6,202,145 |
| Travelling and conveyance | 3,180,213 | 7,305,424 |
| Legal and professional | 3,895,531 | 6,898,662 |
| Commission on sales | - | 126,065 |
| Provision for doubtful debts | 494,163 | - |
| Insurance | 1,206,979 | 1,499,733 |
| Communication | 363,514 | 1,020,393 |
| Directors' sitting fees | 440,000 | 560,000 |
| Rent | 396,000 | 396,000 |
| Rates and taxes | 34,226 | 127,973 |
| Printing and stationery | 113,903 | 124,663 |
| Claims paid against supplies | - | 207,132 |
| Miscellaneous expenses | 2,053,513 | 3,438,429 |
| | <u>12,230,525</u> | <u>35,921,446</u> |
| 2.23 Exceptional Items | | |
| <u>Reversal of Provisions</u> | | |
| Reversal of Excise Provisions | 29,532,324 | - |
| Reversal of Interest accrued and due (Net) (Refer No. 2.27) | <u>2,904,351</u> | <u>-</u> |
| | <u>32,436,675</u> | <u>-</u> |

Significant accounting policies

Company overview

Alumeco India Extrusion Limited ("the Company") manufactures aluminum extrusion in India. The Company is a public limited company and is listed on Bombay Stock Exchange (BSE).

Note 1: Significant accounting policies

1. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees

2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being trade;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle: Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Significant accounting policies

4. Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost of inventories comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

Raw materials and components – on a first in first out method.

Stores and spares – at cost.

Work-in-progress and finished goods (manufactured) – on a first in first out method and includes costs of conversion.

Traded goods – at landed cost on a first in first out method.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the net realisable value of finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed on a quarterly basis and is provided as considered necessary.

5. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from revenue generating, investing and financing activities of the company are segregated.

6. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts and in exchange earner's foreign currency accounts.

7. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from job work is recognised as per the terms of contract with the customer. The amount recognised as sale is exclusive of sales tax and trade and quantity discounts. Revenue from sale of goods has been presented both gross and net of excise duty.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

8. Fixed assets

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight, and other incidental expenses related to the acquisition and installation of respective assets. Acquired intangible assets are recorded at the consideration paid for acquisition. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Cost of fixed assets not ready for their intended use before such date is disclosed under capital work-in-progress.

Significant accounting policies

9. Depreciation

Depreciation on fixed assets is provided using the straight-line method ('SLM') as per the useful lives of the assets estimated by Management, or at the rates prescribed under Schedule XIV to the Companies Act, 1956 whichever is higher. Rates of depreciation used that are higher than Schedule XIV rates are as follows:

| | Rates (SLM) |
|--------------------------------------|-------------|
| Certain items of plant and machinery | 5.56% |
| Dies | 20.00% |
| Computer software | 20.00% |

Land is not depreciated. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs.5,000 are depreciated in full in the year of acquisition.

10. Retirement and other employee benefits

(i). Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the provident fund.

(ii). Gratuity liability and compensated absences are defined benefit obligations and are provided for on actual basis and no actuarial valuation has been made at the end of financial year as there is no employee on which liability is to be accrued.

(iii). Termination benefits for retrenched workers are recognized as contingent liability based on the previous settlements.

11. Foreign currency translation

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

12. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of the long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/ non-current classification scheme of Revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment i.e. equity shares, preference shares, convertible debentures, etc.

Any reductions in the carrying amount and any reversal of such reductions are charged or credited to the Statement of profit and loss.

Profit/ (loss) on sale of investments is determined separately for each investment.

Significant accounting policies

13. Export benefits and incentives

Benefits on account of advance license for imports are accounted for on purchase of imported material. Other export benefits/incentives are accounted on an accrual basis when the amount become due and receivable.

14. Leases

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense on a straight line basis over the lease term.

15. Taxes on income

Tax expense comprises of current and deferred tax. Current income-tax is calculated in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation or carried forwards losses deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

16. Earnings per share

Basic earnings per share are calculated by dividing the net profit after tax or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit after tax for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

17. Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

18. Provisions and contingent liabilities

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possibility of an obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.24 Going concern assumption

The Company has incurred a net loss of ₹ 18,914,243 (30 June 2013: ₹ 54,674,519) for the year ended 30 June 2014. It also has accumulated losses of ₹ 271,440,790 (30 June 2013: ₹ 252,526,547) as on that date compared to the shareholder's funds of ₹ 160,522,805 (30 June 2013: ₹ 160,522,805). The Company was declared as a sick industrial company by the Board for Industrial and Financial Reconstruction (BIFR) on 9 February 2010 and Canara Bank has been appointed as an Operating Agency with effect from 17 December 2012 to assist in working out a rehabilitation scheme (earlier IDBI Bank). Post year end, in July 2013, the Alumeco Group (Denmark) took a commercial decision to stop extending the facility of supplying raw material on credit to the Company, as was being done in the past. This decision, coupled with the accumulated losses in the Company and the prevailing adverse business conditions (on account of liquidity crunch, labour problems, power cuts, poor order book position due to bad economic scenario, credit crunch in the market, etc.), has further strained the financial position of the Company. However, the Board of Directors and the Management of the Company are actively pursuing various available options to rehabilitate the Company under the aegis of BIFR / Operating Agency and currently believe that the Company would be in a position to continue as a going concern. Hence, these financial statements have been prepared under the going concern assumption.

2.25 Capital commitments and contingent liabilities

₹

| Particulars | As at 30 June 2014 | As at 30 June 2013 |
|--|---|-----------------------------|
| (a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | - | - |
| (b) Preference share dividend | 30,532,230 | 27,108,230 |
| (c) Tax on preference dividend not provided for | 4,979,577 | 4,397,668 |
| (d) Excise matters under dispute | 34,029,952 | 5,011,947 |
| (e) Income Tax matters under dispute: | | |
| | Relevant Assessment Year | Income under dispute (₹) |
| | 1994-95 | 2,03,59,259 |
| | 1995-96 | 51,72,082 |
| | 2003-04 | 2,89,37,712 |
| | 2004-05 | 1,82,56,357 |
| | 2005-06 | 1,85,46,533 |
| | 2006-07 | 3,51,83,477 |
| | 2007-08 | 14,61,08,591 |
| | 2008-09 | 12,83,00,000 |
| | 2010-11 | 7,22,81,070 |
| | Forum where dispute is pending | |
| | Honorable High Court of Andhra Pradesh | |
| | ITAT has redirected the case to TPO. The case is pending before TPO. | |
| | Income Tax Appellate Tribunal | |

The consequential liability if any, in respect of taxes and penalties for the subsequent assessment years is presently not determinable as the appeal filed in this regard are pending before the various authorities.

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

- (f) For the fiscal year 2012-2013 to 2013-2014, the Company has paid sales tax at a concessional rate against 'C' Form in respect of its interstate sales for which it is required to obtain 'C' forms from its customers and submit to the sales tax department. In the event, the Company is unable to collect and submit such 'C' forms it will be required to pay the sales tax at the higher rate together with interest and penalties as applicable. As on the balance sheet signing date, the aggregate amount of 'C' forms to be collected is ` 31,250,830. Whilst management is confident that it will be able to collect all outstanding 'C' forms before the completion of relevant assessment and that no liability in this respect will devolve upon the Company, the aggregate additional tax in the event that none of the 'C' forms are collected would be approximately ` 937,525.
- (g) The Company has received a letter from BSE dated 12th January, 2015 for non submission of Financial Results for two consecutive quarters i.e., June 2014 and September 2014 and BSE has also levied a penalty of ` 1,206,713. However, the Company has requested for waiver of penalty vide letter dated 15th January, 2015.
- (h) As per Accounting Standard, 15 Employee Benefits, estimated liability for 63 retrenched workers on account of retrenchment compensation and VRS compensation is amounting to ` 7,321,365/- and ` 4,880,910/- respectively based on previous settlements.

However, the case relating to closure of unit is pending before Hon'ble High Court of Andhra Pradesh and the case filed by the workers before the Labour Court for payment of wages. The outcome of these cases cannot be determined at this stage of time.

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|------------------------|------------------------------------|------------------------------------|
| Statutory audit fees | 150,000 | 652,500 |
| Tax audit fees | 50,000 | - |
| Other services | 275,000 | 645,000 |
| Out-of-pocket expenses | - | 28,352 |
| Total | 475,000 | 1,325,852 |

2.27 (A) Related party transactions

| Name of the related party | Country | Nature of relationship |
|---------------------------------|---------|--|
| OSI India Holding A/S ('OSI') | Denmark | Immediate holding company |
| Alumeco A/S | Denmark | Holding Company of OSI |
| H S Metalservice nr 2 ApS (HSM) | Denmark | Holding Company of Alumeco A/S |
| H S Metalservice ApS | Denmark | Holding Company of HSM |
| Alumeco Handlerservices GmbH | Germany | Subsidiary of Alumeco A/S |
| Mr. Wolfgang Ormeloh | Germany | Key Management Personnel (till 15th December, 2013) |
| Mr. N.K. Khandelwal | India | Key Management Personnel (till 31st December, 2013) |
| Mr. Rakesh Gupta | India | Key Management Personnel (till 20th August, 2013) |
| Mr. Anand Parkash | India | Key Management Personnel (From 29th October 2013) |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

(B) The details of the related party transactions entered into by the Company during the year are as follows:

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|---|------------------------------------|------------------------------------|
| Holding Company Alumeco Handlerservices GmbH | | |
| • Purchase of material | - | 259,684,943 |
| • Sale of material | - | 34,682,531 |
| • Interest provided on overdue bills | 1,461,269 | 2,480,805 |
| Alumeco A/S | | |
| • Sale of material | - | 70,417,642 |
| Remuneration paid to: | | |
| • Mr. Wolfgang Ormeloh* | 1,032,316 | 1,813,690 |
| • Mr. N.K. Khandelwal* | 3,478,143 | 3,314,430 |
| • Mr. Rakesh Gupta* | 834,992 | 2,464,224 |
| • Mr. Anand Parkash | 280,000 | - |

* Include gratuity and compensated absences as these managerial personnel has left the company and their accounts have been settled.

C) Balances with related parties:

₹

| Particulars | Receivable / (Payables) as at 30 June 2014 | 30 June 2013 |
|------------------------------|---|---------------|
| Alumeco Handlerservices GmbH | | |
| - Trade payables | (153,139,379) | (190,229,775) |
| - Interest accrued and due* | - | (5,448,480) |
| Alumeco A/s | | |
| - Trade receivables | - | 3,804,099 |
| Mr. Wolfgang Ormeloh | - | (143,097) |
| Mr. N.K. Khandelwal | - | (571,767) |
| Mr. Rakesh Gupta | - | (163,541) |
| Mr. Anand Parkash | (29,903) | - |

| | |
|--|-------------|
| *Opening balance as on 1 July 2013 | 5,448,480 |
| Less: Paid during the year | (2,172,897) |
| Add: Expense for the year (incl. exchange fluctuation) | 1,461,269 |
| Less: Interest waived off – Previous years | (2,904,351) |
| Less: Interest waived off – Current year | (1,392,394) |
| Less: Effect of Exchange Fluctuation | (440,107) |
| Closing balance as on 30 June 2014 | -- |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.28 Unhedged foreign currency

(a) Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing at the year-end:

| Particulars | As at 30 June 2014 | As at 30 June 2013 |
|-------------------------------|-----------------------|-----------------------|
| Sundry creditors | US \$ 2,548,360 | US \$ 3,186,962 |
| Sundry creditors | INR 153,139,379 | INR 190,229,775 |
| Interest payable | - | US \$ 91,280 |
| Interest payable | - | INR 5,448,480 |
| Sundry creditors | - | € 1,300 |
| Sundry creditors | - | INR 101,361 |
| Trade receivables | - | US \$ 63,731 |
| Trade receivables | - | INR 3,804,099 |
| Advance to material suppliers | - | US \$ 104 |
| Advance to material suppliers | - | INR 6,192 |
| Unsecured loans | - | € 17,000 |
| Unsecured loans | - | INR 1,325,490 |

2.29 Employee benefit plans

The Company had filed an application for closure of unit before the Government of Andhra Pradesh which has been rejected and subsequently the Company has filed appeal before the Hon'ble High Court of Andhra Pradesh which is pending for hearing. The workmen have been paid wages till 17-10-2013 including the statutory 90 day notice period.

No actuarial valuation is being done, as at the end of the year, there is no employee on whom gratuity liability is to be accrued. Hence, the provision for gratuity (Rs. 5,790,798) and compensated absences (Rs. 1,315,938) for retrenched employees is being made on actual basis.

During the year, the Company has retrenched 97 workers out of which retrenchment compensation and VRS compensation was paid to 34 workers with mutual agreement on individual basis. For the balance 63 workers, the amount of retrenchment compensation and VRS compensation has been shown as contingent liability.

2.30 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. However, during the year, there is no international transaction.

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.31 Earnings per share (EPS)

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|---|------------------------------------|------------------------------------|
| Earnings (₹) | | |
| Net profit / (loss) after tax for the year | (18,914,243) | (54,674,519) |
| Less : Preference dividend including tax on dividend | 4,005,909 | 3,979,476 |
| Net profit for calculation of basic earnings per share (₹) | (22,920,152) | (58,653,995) |
| Shares | | |
| Weighted average number of equity shares in calculating basic EPS (in No's) (A) | 12,397,113 | 12,397,113 |
| Weighted average number of equity shares which would be issued on the conversion of preference shares (including equivalent number of shares to be issued against arrears of preference dividend) (in No's) (B) | 6,477,223 | 6,134,823 |
| Total weighted average number of shares in calculating diluted EPS (A+B) | 18,874,336 | 18,531,936 |
| Earnings per share of par value ₹ 10 – Basic | (1.85) | (4.73) |
| Earnings per share of par value ₹ 10 – Diluted | (1.85) | (4.73) |

- 2.32 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 June 2014 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|--|------------------------------------|------------------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year; | Nil | Nil |
| The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year; | Nil | Nil |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act; | Nil | Nil |
| The amount of interest accrued and remaining unpaid at the end of the year; | Nil | Nil |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise | Nil | Nil |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.33. Deferred taxes

Deferred tax (assets) / liabilities included in the Balance sheet comprise the following

₹

| Particulars | as at 30 June 2014 | as at 30 June 2013 |
|---|-----------------------|-----------------------|
| Deferred tax liability Excess of depreciation allowable under income tax law over depreciation provided in accounts | - | - |
| Deferred tax asset Brought forward losses and unabsorbed depreciation (restricted to the amount of deferred tax liability) | - | - |
| Net deferred tax (asset) / liability | - | - |

In accordance with AS 22, "Accounting for taxes on income" prescribed by the Rules, due to brought forward losses under the taxation laws and on account of absence of virtual certainty on realisation of deferred tax assets, deferred tax assets on unabsorbed depreciation, carried forward losses and other temporary timing differences has been recognized only to the extent of deferred tax liability.

2.34. Segment reporting

Segments are identified in line with AS-17 "Segment Reporting". The Company is in the business of manufacturing of aluminum profiles and in view of Company's internal organisation, management structure, internal financial reporting system it has identified manufacturing of aluminum profiles as its only primary business segment. The analysis of geographical segments is based on location of major customers of the Company.

Geographical segment:

The Company sells aluminium extrusions in both, overseas and India, geographical segments. However, during the year ended June 2014, total revenue comes from the Indian segment [0% from the overseas segment for the year ended 30 June 2014 (16.09% from the overseas segment for the year ended 30 June 2013)]. The following table shows revenue of the segments for the year ended 30 June 2014 and for the year ended 30 June 2013 and assets of the segments as at 30 June 2014 and as at 30 June 2013.

₹

| Particulars | India | | Overseas | | Total | |
|---|------------|-------------|-----------|-------------|------------|-------------|
| | 30-Jun-14 | 30-Jun-13 | 30-Jun-14 | 30-Jun-13 | 30-Jun-14 | 30-Jun-13 |
| Revenue (net) | 12,966,116 | 548,155,911 | - | 105,100,173 | 12,966,116 | 653,256,084 |
| Assets | | | | | | |
| - Trade receivables | 511,637 | 48,476,873 | - | 3,804,099 | 511,637 | 52,280,972 |
| - Other assets | 71,773,169 | 126,707,721 | - | 6,192 | 71,773,169 | 126,713,913 |
| Additions to fixed assets (including capital work-in-progress) | 37,832 | 7,194,371 | - | - | 37,832 | 7,194,371 |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.35. Earnings in foreign currency

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|----------------------|------------------------------------|------------------------------------|
| FOB value of exports | - | 100,954,845 |

2.36 Expenditure in foreign currency

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|--|------------------------------------|------------------------------------|
| Interest on loan from - IFU | 17,590 | 92,478 |
| Interest on delayed payment to Alumeco Handlerservices GmbH | - | 2,480,805 |
| Travelling and conveyance | - | 2,12,485 |

2.37. Sales of goods

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|--------------------|------------------------------------|------------------------------------|
| Manufactured goods | | |
| Export sales | - | 105,100,173 |
| Domestic sales | 12,966,116 | 548,155,911 |
| Total sales | 12,966,116 | 653,256,084 |

2.38 Consumption of raw materials and stores and spares

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|-------------------|------------------------------------|------------------------------------|
| Aluminum metals | 5,597,786 | 531,921,098 |
| Stores and spares | 107,885 | 14,824,712 |
| | 5,705,671 | 546,745,810 |

None of the other raw materials and stores and spares (disclosed under "stores and spares") consumed during the year individually exceeds 10% of the total raw material consumed for the year.

2.39 Value of imports calculated on CIF basis

₹

| Particulars | For the year ended 30 June 2014 | For the year ended 30 June 2013 |
|---------------|------------------------------------|------------------------------------|
| Raw materials | - | 269,629,764 |
| Spares | - | 937,652 |

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.40 Imported and indigenous raw materials, and stores and spares consumed

| Category | For the year ended 30 June 2014 | | For the year ended 30 June 2013 | |
|-------------------|------------------------------------|-----------|------------------------------------|-------------|
| | % of total consumption | Value | % of total consumption | Value |
| Raw material | | | | |
| Imported | 67.56 | 3,781,801 | 56.03 | 298,053,396 |
| Indigenous | 32.44 | 1,815,985 | 43.97 | 233,867,702 |
| Total | 100.00 | 5,597,786 | 100.00 | 531,921,098 |
| Stores and spares | | | | |
| Imported | - | - | 6.92 | 1,026,043 |
| Indigenous | 100.00 | 107,885 | 93.08 | 13,798,669 |
| Total | 100.00 | 107,885 | 100.00 | 14,824,712 |

2.41 Remuneration to key managerial personnel for the year ended 30 June 2014 and 30 June 2013, includes Nil representing remuneration beyond the limits specified in Schedule XIII to the Companies Act, 1956.

2.42 Operating leases

The Company has taken guest house under cancellable operating lease agreement. The Company intends to renew such leases in normal course of business. Total rental expense under cancellable operating leases for the current year amounts to ` 396,000 (30 June 2013: ` 396,000).

2.43 Set out below is the movement in provision balances in accordance with Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets' prescribed by Companies (Accounting Standards) Rules, 2006, ('the Rules')

Provisions

| Particulars | ₹ | |
|-------------------|-----------------------|-----------------------|
| | as at 30 June 2014 | as at 30 June 2013 |
| Opening balance | 29,782,324 | 33,725,345 |
| Add: Provision | - | - |
| Less: Utilisation | - | (1,432,091) |
| Less: Reversal* | (29,532,324) | (2,510,930) |
| Closing balance | 250,000 | 29,782,324 |

* Reversal is on account of excise provision, which has been made by the management after obtaining views from Company's excise consultants. The said amount of Rs. 29,532,324 has now been included as contingent liability under note 2.25(d).

Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.44 Previous year comparatives

Previous year figures have been regrouped / reclassified / rearranged, wherever necessary, to conform to those of the current year.

As per our report of even date attached

for Laxminiwas & Jain
Chartered Accountants
Firm's Registration number: 001859S

for Alumeco India Extrusion Limited

Laxminiwas Sharma
Partner
Membership number: 014244

Ashish Kumar Gupta
Chairman
DIN: 00061551

Anand Parkash
Whole Time Director
DIN: 02469989

Place: Hyderabad
Date: 2nd February, 2015

Archit Agarwal
Finance Manager

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No : CIN: L74999AP1988PLC008966

State Code: 01

Balance Sheet Date : 30062014

II. Capital Raised During the year (Amount in Rs. Thousands)

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement

NIL

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

160523

Total Assets

160523

Sources of Fund

Paid-up Capital

158211

Reserves & Surplus

002312

Secured Loans

NIL

Unsecured Loans

NIL

Application of Funds

Net Fixed Assets

52512

Investment

NIL

Net Current Assets

(163429)

Misc. Expenditure

NIL

Accumulated Losses 271441

IV. Performance of Company (Amount in Rs. Thousands)

Turnover

21969

Total Expenditure

40883

Profit(Loss) Before Tax

(18914)

Profit/(Loss) After Tax

(18914)

Earning per share in Rs.

(1.85)

Dividend Rate %

NIL

V. Generic Name in Principal Products of Company (As per monetary terms)

Item Code No. (IT Code) 76.04

Product Description Aluminum Profiles/Bars/rods

Item Code No. (ITC Code) 76.08

Product Description Aluminum Tubes/ Pipes.

ALUMECO INDIA EXTRUSION LIMITED

Registered Office: Survey. Nos. 379 - 382, Kallakal Village, Toopran Mandal,
Medak District, Telangana – 502 336.

Registration Form for Physical Copy

To
XL Systems System Limited
#3, Sagar Society, Road No.2,
Banjara Hills, Hyderabad – 500 033

Unit: Alumeco India Extrusion Limited

I / We hereby exercise my/ our option to receive all communication from the Company such as Notice of Annual General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit and Loss Account, Directors' Report, Auditors' Report etc., in physical mode only.

Folio No.: -----

Name of the First Registered Holder: -----

Name of the Joint Holder, if any: -----

Registered Address of the Sole / First Registered Holder: -----

No. of Shares Held: -----

Date :

Signature

Notes :

The annual reports will be send through electronic mode only. In case the Members desires to receive the annual report in physical mode, they are kindly requested to please fill in this form and send to the Registrar and Share Transfer Agent.

ALUMECO INDIA EXTRUSION LIMITED
Registered Office: Survey. Nos. 379 - 382, Kallakal Village, Toopran Mandal,
Medak District, Telangana – 502 336.

PROXY FORM

I/We.....of.....

..... being member(s) of the above
named Company, hereby appoint the following as my / our Proxy to attend and vote (on a poll) for me
/ us and on my / our behalf at the 26th Annual General Meeting of the Company, to be held on Monday
30th March, 2015 at 11.30 a.m. and at any adjournment thereof.

Mr./Ms. or failing him/her
(name of the proxy) (signature of proxy)

Mr./Ms.
(name of the proxy) (signature of proxy)

Number of Shares held

Signed & dated, 2013.

Folio No. / DP ID * & Client ID*

* Applicable for investors holding shares in dematerialized form

Affix
Revenue
Stamp of
1

signature

NOTES:

1. The Proxy, to be effective, should be deposited at the Registered Office of the Company, not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.
2. A Proxy need not be a member of the Company.

ALUMECO INDIA EXTRUSION LIMITED
Registered Office: Sy. Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District,
Telangana - 502 336.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

| | | | |
|-------------|--|---------------|--|
| DP Id * | | Folio No. | |
| Client Id * | | No. of shares | |

NAME & ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 26th ANNUAL GENERAL MEETING of the Company held on
Monday 30th March, 2015 at 11.30 a.m. at the Registered Office of the Company.

* Applicable for investors holding shares
in dematerialized form.

SIGNATURE OF THE SHAREHOLDER/PROXY

BOOK-POST

If undelivered, please return to :



ALUMECO INDIA EXTRUSION LIMITED

Registered Office: Sy. Nos. 379-382,
Kallakal Village, Toopran Mandal,
Medak District, Telangana - 502 336. India
Ph. Nos. 08454 - 250196 / 514