



ALUMECO INDIA EXTRUSION LIMITED

23rd Annual Report - 2011

BOARD OF DIRECTORS

Prof. Laxmi Narain
Chairman

Mr. Wolfgang Ormeloh
Managing Director

Mr. Hans Schweers
Director

Mrs. Deepa Hingorani
Director

Mr. Ashish Kumar Gupta
Director

Mr. M. Ratnakar
Director

Mr. Nand Kishore Khandelwal
Director - Alternate to Mr. Hans Schweers

**Chief Financial Officer &
Compliance Officer**

Mr. Nand Kishore Khandelwal

Chief Commercial Officer

Mr. M. Ratnakar

Auditors

BSR & Company
Chartered Accountants
Reliance Humsafar, IV Floor
Road No.11, Banjara Hills
Hyderabad - 500 034.

Cost Auditor

S. S. Zanwar & Associates,
Abids, Hyderabad, India - 500 001

BANKERS

1. Axis Bank Limited
Kompally, Hyderabad

2. HSBC
Somajiguda, Hyderabad

3. Standard Chartered Bank
Somajiguda, Hyderabad

4. HDFC Bank Limited
Paradise Circle, Secunderabad

5. State Bank of Hyderabad
Medchal Branch, Medchal

6. The Karur Vysya Bank Limited
R.P. Road, Secunderabad

7. Syndicate Bank
Medchal Branch, Medchal

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

Survey Nos. 379-382, Kallakal Village,
Toopran Mandal, Medak District,
Andhra Pradesh - 502 336.
Ph. Nos. 08454-250190 to 193, 195 & 197
Fax Nos. 08454-250196/514

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NOTICE TO SHAREHOLDERS :

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Alumeco India Extrusion Limited will be held on Wednesday, 14th December, 2011 at 11.30 a.m. at the Registered Office of the Company, at Survey Nos. 379 - 382, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh 502 336, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the 23rd Directors' Report, Balance Sheet as at 30th June, 2011, 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 Mr. Wolfgang Ormeloh, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mrs. Deepa Hingorani, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint M/s BSR & Company, Chartered Accountants, Hyderabad, as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, and authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modifications, the following as **Ordinary Resolution:**

"RESOLVED that pursuant to provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded to the appointment of Mr. Nand Kishore Khandelwal, Chief Financial Officer, as the Whole-time Director for a period of three (3) years with effect from 23rd September, 2011, on such terms and conditions as agreed upon between the Company and Mr. Nand Kishore Khandelwal, in accordance with the provisions of the Companies Act, 1956 in this regard."

6. To consider and, if thought fit, to pass, with or without modifications, the following as **Special Resolution:**

"RESOLVED that pursuant to provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded to the appointment of Mr. Wolfgang Ormeloh as Managing Director of the Company for a period of two (2) years with effect from 18th March, 2012."

"FURTHER RESOLVED that approval of the Company be and is hereby accorded for the payment of remuneration of USD 2500 per month to Mr. Wolfgang Ormeloh, Managing Director of the Company with effect from 1st October, 2011."

7. To consider and, if thought fit, to pass, with or without modifications, the following as **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded for payment of remuneration of Rs. 1,68,213 per month, consisting of basic salary, contribution to provident fund and various allowances, to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer) of the Company, with effect from January 1, 2011 as agreed upon between the Company and Mr. M. Ratnakar and with liberty to the Directors to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Part II of Schedule-XIII or other relevant provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT the approval of the Company be and is hereby also accorded for payment of remuneration of Rs. 1,89,240/- per month, consisting of basic salary, contribution to provident fund and various allowances, and an annual performance-linked bonus subject to a maximum of 4 months salary, to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer) of the Company, with effect from January 1, 2012."

8. To consider and, if thought fit, to pass, with or without modifications, the following as **Special Resolution:**

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act, approval of the Company be and is hereby accorded for payment of remuneration of Rs. 1,68,213 per month, consisting of basic salary, contribution to provident fund and various allowances, to Mr. Nand Kishore Khandelwal, Chief Financial Officer of the Company, with effect from January 1, 2011 as agreed upon between the Company and Mr. Nand Kishore Khandelwal, and with liberty to the Directors to alter or vary the terms and conditions of the said appointment so as not to exceed the limits specified in Part II of Schedule-XIII or other relevant provisions of the Companies

Act, 1956.”

“RESOLVED FURTHER THAT the approval of the Company be and is hereby also accorded for payment of remuneration of Rs. 1,89,240/- per month, consisting of basic salary, contribution to provident fund and various allowances, and an annual performance-linked bonus, subject to a maximum, of 4 months salary, to Mr. Nanad Kishore Khandelwal, Whole-time Director (Chief Financial Officer) of the Company, with effect from January 1, 2012.”

By Order of the Board
For Alumeco India Extrusion Limited

28-10-2011 Mr. Wolfgang Ormeloh
Kallakal (Medak Dist.) Managing Director

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.
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 4th December 2011 to 13th December, 2011 (both days inclusive) for the purpose of Annual General Meeting.

IMPORTANT COMMUNICATION TO MEMBERS

In an effort to make the Earth a better place to live for all, the green moment has been sweeping the Globe. The Ministry of Corporate Affairs has taken “Green Initiative in corporate governance” by allowing paperless compliance by companies through electronic mode, thus facilitating the receipt of the annual reports of the Company on your Email.

To support this green initiative of the Government, we request the members to fill the enclosed E-Communication Registration Form and send it to the Company's Registrar and Share Transfer Agent M/s. XL Softech Systems Limited at the address mentioned there.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No.5 : The present term of Mr. Nand Kishore Khandelwal, Whole-time Director, ended on 22nd September, 2011. The Board of Directors has appointed him for another period of three years. This requires approval of Shareholders by way of ordinary resolution. Your Directors commend his re-appointment for your approval. None of the Directors, except Mr. Nand Kishore Khandelwal, is concerned or interested in the resolution.

Item No. 6 : Mr. Wolfgang Ormeloh has been re-appointed as Managing Director of the Company for two years, with a remuneration of USD 2500 per month, by the Board of Directors on 28th October, 2011 with effect from 18th

March, 2012, subject to the approval of the Shareholders and Central Government as required under Schedule XIII and other provisions of the Companies Act, 1956. Mr. Ormeloh's contribution in turning around the Company being significant, your Directors recommend the resolution at Item No.6 for approval of the members. In order to facilitate issue of Employment Visa, the Remuneration Committee of the Board of Directors recommended the payment of salary to him, with effect from October 1, 2011.

None of the Directors, except Mr. Wolfgang Ormeloh, is concerned or interested in the resolution.

Item No. 7 & 8 : The Board of Directors on the recommendation of the Remuneration Committee, had revised remuneration of Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer) to Rs.168,213/- per month and also of Mr. Nand Kishore Khandelwal, Whole-time Director (Chief Financial Officer), to Rs.168,213/- per month with effect from 1st January, 2011. And the Board proposed to pay remuneration of Rs. 189,240/- per month with effect from 1st January, 2012 to each of them, with a performance-linked bonus, subject to a maximum of four months salary. In the absence of adequate profits, a special resolution is needed for payment of enhanced remuneration. Your Directors recommend this resolution for your approval.

None of the Directors, except Mr. M. Ratnakar and Mr. Nand Kishore Khandelwal, are concerned or interested in the resolution.

The information to be disclosed in terms of Schedule XIII of the Companies Act, for item nos. 6, 7 & 8 is as follows:

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). (iv) Export performance: The Company is exporting about 43% of its production. (v) Foreign Investment: The Company is subsidiary of OSI India Holding A/S, Denmark, which holds 60.50% of its equity.

(Rs. in million)

Particulars	30.06.2011	30.06.2010	30.06.2009
Sales and other income	876.52	651.32	610.05
Profit before Tax and prior period items	10.41	8.57	(46.02)
Finance Charges	1.84	0.96	1.46
Depreciation	14.14	15.55	18.66
Prior period items	--	2.71	--
Profit after Tax	10.41	11.28	(49.24)

2. *Information about the managerial persons:*

Mr. Wolfgang Ormeloh – Managing Director

(i) *Background details* - Mr. Wolfgang Ormeloh, aged 52, is a Post Graduate in Business Management with over 30 years of experience in marketing and Management. (ii) *Past remuneration* - NIL (iii) *Remuneration proposed* - USD 2500 per month effective from 1st October, 2011 (iv) *Comparative Remunerative profile* - It is similar or lower than in equivalent firms. (v) *Pecuniary relationship* - Nil, except the remuneration received.

Mr. M. Ratnakar – Whole-time Director (Chief Commercial Officer)

(i) *Background details* - Mr. M. Ratnakar, aged 42, is a Mechanical Engineer with 21 years of experience in Marketing, Imports and Exports, Commercial Operations, Production, Human resource, IR and general administration. (ii) *Past remuneration* - a) Rs. 125,000/- p.m. from January, 2010. (iii) *Remuneration proposed* - Rs. 168,213/- p.m. effective from 1st January, 2011 and Rs. 189,240/-p.m. effective from 1st January, 2012. (iv) *Comparative Remunerative profile* - It is similar or lower than in equivalent firms. (v) *Pecuniary relationship* - Nil, except the remuneration received.

Mr. Nand Kishore Khandelwal – Whole-time Director (Chief Financial Officer)

(i) *Background details* - Mr. Nand Kishore Khandelwal, aged 42, is a Chartered Accountant with 19 years of experience in Finance, Taxation, Auditing, HR and ERP Solutions and general

administration. (ii) *Past remuneration* - a) Rs. 149,523/- p.m. from January, 2010. (iii) *Remuneration proposed* - is Rs. 168,213/- p.m. effective from 1st January, 2011 and Rs. 189,240/- p.m. effective from 1st January 2012. (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 significant reduction of prices of metals due to the world wide recession. (ii) *Steps taken or proposed to be taken for improvement* - The Company is streamlining processes, taking up cost reduction drive, and increasing process efficiencies by investing in balancing equipment and expanding market reach in domestic market, it is hopeful of showing good results in the future. (iii) *Expected increase in productivity and profitability* - The Company is hopeful of reporting better financial results, particularly after taking the above steps to improve productivity.

By Order of the Board
For Alumeco India Extrusion Limited

28-10-2011
Kallakal (Medak Dist.)

Mr. Wolfgang Ormeloh
Managing Director

Details of Directors seeking reappointment:

Name of Director	: Mr. Wolfgang Ormeloh	Name of Director	: Mrs. Deepa Hingorani
Date of Birth	: 14.04.1959	Date of Birth	: 29.09.1970
Date of Appointment	: 23.10.2005	Date of Appointment	: 28.10.2005
Qualifications	: Post graduate in Management	Qualifications	: Master's Degree in Finance and Control (Delhi), Executive MBA (SIMI, Copenhagen)
Expertise in specific functional areas	: Significant experience in Marketing and Management	Expertise in specific functional areas	: Finance and Company Law
List of other companies in which directorship held.	: NIL *	List of other companies in which directorship held	: DISA India Limited
List of the Committees of other Companies in which chairmanship/ membership held	: NIL *	List of the Committees of other Companies in which chairperson / membership held	: Chairperson – Audit Committee Member – Remuneration Committee
Chairman/member of the committees of the Company	: Member, Audit Committee.	Chairperson/member of the Committees of the Company	: Member-Remuneration Committee

* Excludes private and foreign companies.

DIRECTORS' REPORT

Dear Members,
Your Directors hereby present the Twenty Third 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, 2011.

Financial Highlights:

Particulars

	Current year 2010 - 2011	(Rs. Million) Previous year 2009 - 2010
Sales (Net)	854.44	638.72
Other Income	22.08	12.60
Total Revenue	<u>876.52</u>	<u>651.32</u>
Profit /(loss) before Financial Expenses, Depreciation	26.39	24.68
Financial Expenses	01.84	0.96
Depreciation	14.14	15.15
Profit before Tax	<u>10.41</u>	<u>08.57</u>
Profit after Tax and prior period adjustment	10.41	11.28

Dividend:

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

Results of Operations:

The sluggish business environment continues due to slow recovery of global economies. The inputs costs particularly cost of petroleum products, energy and labour has risen during the year under review. Still your Company is able to achieve a turnover of Rs. 854.44 million for the year as compared Rs. 638.72 million in the previous year, an increase of 34% the net profit of Rs. 10.41 million as against Rs. 8.57 million in the previous year, an increase of about 22%.

The Company's performance has improved due to increased domestic sales, resulting in higher capacity utilization. The Company's efforts in the previous years on screening the existing customer base, development of new customer base, and striking a right balance in product-mix has resulted in improved performance.

Reference to Board for Industrial and Financial Reconstruction (BIFR):

The accumulated loss being more than the net worth of the Company, it was declared sick by the BIFR in February, 2010. The BIFR has ordered for preparation of a Rehabilitation Scheme and has appointed IDBI Bank as the Operating Agency (OA) for this purpose. Efforts are in progress for submission of the Rehabilitation Scheme for approval to the BIFR.

Directors:

Mr. Wolfgang Ormeloh and Mrs. Deepa Hingorani, who have been longest in the office, will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

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 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, 2011 and of the profit 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. BSR & Company, 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. Point No. 3 of the Audit Report :

As more fully explained in Note 1 of Schedule 18, the Company has accumulated losses of Rs 170,408,290 as at 30 June 2011 which have exceeded the paid up capital and reserves (Rs. 160,522,805) of the Company at that date. Also, the Company 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 and had been declared sick on 9 February 2010. It is currently in the process of working out a rehabilitation scheme with the BIFR.

Though the Company has made profits for the year ended 30 June 2010 and 30 June 2011,

considering the financial position of the Company at 30 June 2011, there exists uncertainty as to whether the Company will be able to continue as a going concern. However, the financial statements for the year ended 30 June 2011 have been prepared on a going concern basis and do not include any adjustment 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 being Rs.170.41 million is more than 100% of the net worth of the Company. On the Company's reference, it was declared Sick by the BIFR, which has appointed IDBI Bank as the Operating Agency (OA). The BIFR has directed the Company to prepare a Rehabilitation Scheme; the Company is in the process of working a Rehabilitation Scheme to be submitted to BIFR.

The Company continues to operate profitably and based on the performance and the business plan, the Management believes that the Company will remain to be a going concern.

2. Point No. 4 of the Audit Report:

As more fully explained in Note 23 of Schedule 18, during the year ended 30 June 2011, the Company has accrued for managerial remuneration, which exceeds the limits specified in Schedule XIII to the Companies Act, 1956 to the extent of Rs 143,856. The Company has applied for Central Government approval for the same, which is pending as at the date of our report. Pending the receipt of approval, such excess remuneration has not been paid.

Management's reply:

The said amount will be paid after receipt of approval from the Central Government, which is expected soon.

3. Point No. (ix) (a) of Annexure to the Auditors' Report

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 2011 for a period of more than six months from the date they became payable except for income tax amounting to Rs. 3,015,288 which is outstanding for more than six months as at 30 June 2011.

Management's reply:

The amount of Rs. 3,015,288 related to the income tax is based on Minimum Alternate Tax provision for the earlier years. The Company being under BIFR has not made the payment as

the matter is proposed to be taken up for waiver during the drafting of the Rehabilitation Scheme.

4. Point No. (x) of Annexure to the Auditors' Report:

The Company has accumulated losses amounting to Rs 170,408,290 at the end of the financial year which exceeds its net worth of Rs 160,522,805.

Management's reply:

In view of the accumulated loss exceeding the net worth, the Company was declared sick by BIFR. The Management has put in all efforts to run the Company smoothly and efficiently. The net profit of the current year is Rs. 10,409,377.

5. Point No. (xvii) of Annexure to the Auditors Report:

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the short term funds amounting to Rs 78,765,791 have been used for long-term purposes.

Management's reply:

The said amount represents excess of current liabilities over the current assets. This is caused due to current financial situation of the Company, wherein it has carried forward accumulated losses of Rs. 170,408,290 in its Balance Sheet.

Cost Audit :

Mr. Sandeep Zanwar, Cost Accountant, Secunderabad, was appointed Cost Auditor for the year ended 30th June 2011, with the approval of the Central Government. The Cost Audit for the year ended 30th June 2011, is under progress and the Report would be submitted to the Central Government soon.

Secretarial Audit:

As prescribed by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out Secretarial audit at the specified periodicity, which is satisfactory, and has been 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.

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.

Managing Director and Chief Financial Officer Certification:

As required, the Managing Director and Chief Financial Officer's Certification is at Annexure - II.

Particulars of Employees Remuneration:

There being no employee, as on 30th June, 2011, drawing remuneration of more than Rs.6.00 million per annum, provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable.

Internal Audit:

M/s. Laxminivas Neeth & Co., Chartered Accountants, Hyderabad, conduct Internal Audit on a regular basis, which is reviewed and followed up meticulously by the Audit Committee.

Listing of Securities:

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

Personnel:

Employee relations were cordial during the period. The Directors place on record their appreciation for the dedicated work put in by the employees at various levels.

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

Prof. Laxmi Narain
Chairman

Place: Kallakal (Medak Dist.)

Dated: 28th October 2011

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,2011	Year ended 30 th June,2010
1		Electricity		
	a)	Purchased Units	4,876,610	4,410,810
		Total Amount (Rs.)	22,750,485	16,964,148
		Avg. Cost/KWH (Rs.)	4.67	3.85
	b)	Own Generation		
	i)	Through Diesel Generator		
		Units (generated)	54,874	75,818
		Units/Liters of Diesel Oil	2.45	2.84
		Avg. Cost / Liters. (Rs.)	38.68	34.55
	ii)	Through Steam Turbine Generator	NIL	NIL
		Coal Consumption	NIL	NIL
2		Furnace oil (Liters.)	378,751	298,262
		Total Amount (Rs.)	12,485,656	8,006,450
		Avg. Cost / Liters. (Rs.)	32.97	26.81
3		Others/Internal Generation	NIL	NIL

(B) Consumption per unit of Production:

Particulars	Year ended 30 th June,2011	Year ended 30 th June,2010
Products: Aluminium Alloy Extrusions (M.T.)	5,700	4,690
Electricity (KWH / M.T.)	856	940
Furnace Oil (Liters. / M.T. melted)	87.31	91.94

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 plan of action (d) Expenditure on R & D.

The Company is getting full R & D support from its group company in Germany, whose technical experts visits the Plant and provides the necessary support from time to time.

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 German experts who visit 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:	2010-2011	2009-2010
Outgo	352,137,518	387,013,418
Earned	346,309,207	379,082,486

Annexure II

Certificate from the Managing Director & Chief Financial Officer

We, Wolfgang Ormeloh, Managing Director and Nand Kishore Khandelwal, Chief Financial Officer of Alumeco India Extrusion Limited, certify that:

- 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.
- To the best of our knowledge and belief, no transactions were entered into by the Company during the year that is fraudulent, illegal or violative of the Company's code of conduct.
- 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.
- We have indicated to the Auditors' and the 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: 28.10.2011
Place: Kallakal

Nand Kishore Khandelwal
Chief Financial Officer

Wolfgang Ormeloh
Managing Director

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 management for enhancing customer satisfaction and shareholders' value.

II. Board of Directors

The Board comprised six directors as on 30th June, 2011, 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 Five meetings during the year ended 30th June, 2011, i.e., on (i) 26th July, 2010, (ii) 25th August, 2010, (iii) 9th November, 2010 (iv) 8th February, 2011 and (v) 3rd May, 2011.

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)
Prof. Laxmi Narain	Chairman, Independent Director	5	5	Yes
Mr. Wolfgang Ormeloh	Managing Director	5	3	Yes
Mr. Hans Schweers	Foreign Promoter (Non-Executive)	5	0*	No*
Mrs. Deepa Hingorani	Nominee of Promoter (Non-Executive)	5	2	No
Mr. Ashish Kumar Gupta	Independent Director	5	4	Yes
Mr. M. Ratnakar	Whole-time Director	5	5	Yes
Mr. Nand Kishore Khandelwal	Alternate to Mr. Hans Schweers	5	5	Yes

*Mr. Nand Kishore Khandelwal, alternate Director to Mr. Hans Schweers, attended all the meetings of the Board and the AGM.

Number of other Board or Board Committees of which the Company's Directors are Members:

Name of the Director	No. of outside directorships held		No. of other Board Committees * he/she is a member / chairperson	
	Public	Private	Member	Chairperson
Prof. Laxmi Narain	Nil	Nil	Nil	Nil
Mr. Hans Schweers	Nil	Nil	Nil	Nil
Mr. Wolfgang Ormeloh	Nil	2	Nil	Nil
Mrs. Deepa Hingorani	2	5	1	1
Mr. Ashish Kumar Gupta	Nil	1	Nil	Nil
Mr. M. Ratnakar	Nil	Nil	Nil	Nil
Mr. Nand Kishore Khandelwal	Nil	1	Nil	Nil

* viz., the Audit Committee, the Shareholders' Grievance Committee and the Remuneration 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 statement is 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 also 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:

Mr. Ashish Kumar Gupta	Chairman	Independent, Non-executive Director
Mr. Wolfgang Ormeloh	Member	Managing Director
Prof. Laxmi Narain	Member	Independent, Non-executive Director

The Committee held four meetings during the period ended 30th June, 2011, i.e., on (i) 25th August, 2010 (ii) 9th November, 2010, (iii) 8th February, 2011 and (iv) 3rd May, 2011. While Mr. Ashish Kumar Gupta and Prof. Laxmi Narain attended all the meetings, Mr. Wolfgang Ormeloh could attend only two of them.

2. Investors' Grievance & Share Transfer Committee

The Committee comprises:

Prof. Laxmi Narain	Chairman	Independent, Non-executive Director
Mr. Ashish Kumar Gupta	Member	Independent, Non-executive Director
Mr. M. Ratnakar	Member	Whole-time Director

The Committee held four meetings during the period ended 30th June, 2011, i.e., on (i) 25th August, 2010 (ii) 9th November, 2010, (iii) 8th February, 2011 and (iv) 3rd May, 2011. All members of the Committee attended all the meetings.

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

Status of complaints / requests	Nos.
Pending as on 1st July, 2010	NIL
Received during the year	23
Resolved / Disposed of during year	23
Pending as on 30th June, 2011	NIL

3. Remuneration Committee

The Committee comprises:

Prof. Laxmi Narain	Chairman	Independent, Non-executive Director
Mr. Ashish Kumar Gupta	Member	Independent, Non-executive Director
Mrs. Deepa Hingorani	Member	Nominee Director, Non-executive

The Remuneration Committee reviews the remuneration for the Board level appointees and recommends it to the Board. The Committee held one meeting during the year on 3rd May, 2011. All members of the Committee were present.

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.2,80,000/- to Prof. Laxmi Narain and Rs. 2,60,000/- to Mr. Ashish Kumar Gupta. Promoter Directors are not paid any sitting fee.

Shareholding of Directors: No Director holds shares of the Company.

IV. General Body Meetings

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

Year	Location	Date	Time
2010	Registered Office and Works of the Company	09.11.2010	4.00 P.M.
2009	Registered Office and Works of the Company	10.11.2009	4.00 P.M.
2008	Registered Office and Works of the Company	17.12.2008	2.00 P.M.

(ii) Special resolutions passed in previous three AGMs:

22nd AGM : i. Appointment of Mr. M. Ratnakar as Whole-time Director and payment of remuneration to him. ii. Approval for payment of remuneration to Mr. Nand Kishore Khandelwal, Whole-time Director.

21st AGM : Approval for payment of remuneration to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer) of the Company.

20th AGM : Appointment of Mr. Nand Kishore Khandelwal, Chief Financial Officer of the Company, as Whole-time Director for a period of three (3) years and payment of remuneration to him.

V. Disclosures:

(i) As required by the Accounting Standard-18, details of related-party transactions are at point no. 4 of Schedule 18, Notes to Accounts. (ii) There were no instances of non-compliances by the Company, 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. (iii) Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement.

VI. Means of Communication:

The Company's quarterly results and annual results are intimated in the prescribed form and within the prescribed time 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).

VII. General Shareholder Information:

- (i) *Annual General Meeting* will be held on 14th December, 2011 at 11.30 a.m. at the Registered Office of the Company situated at Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh – 502 336.
- (ii) *Financial Year* of the Company is 1st July to 30th June.
- (iii) *Financial Reporting* for the quarters ending 30th September, 2011, 31st December, 2011, 31st March, 2012 will be within 45 days following the closure of the quarter and for the fourth quarter i.e. 30th June, 2012 will be within 60 days from the closure of the year.
- (iv) *Dates of Book Closure* will be from 4th December to 13th December 2011.
- (v) *Company's shares are listed* on the Bombay Stock Exchange.
- (vi) *Stock Code* of the Company's scrip is 513309.

(vii) *ISIN Code* is INE327C01023.

(viii) *High & Low Market Price* during each month in the accounting year was as follows:

Month(2010)	High	Low	Month(2011)	High	Low
July	15.90	13.00	January	11.74	08.05
August	14.95	12.31	February	10.83	08.11
September	13.44	11.50	March	10.36	07.89
October	13.75	11.35	April	10.50	08.11
November	13.90	10.15	May	10.95	08.51
December	12.19	09.06	June	11.50	09.00

(ix) *Registrar & Share Transfer Agent of the Company* : XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph. No. 040-23545913/14/15.

(x) *Share Transfer System*: The Registrar and Share Transfer Agent, XL Softech Systems Limited handle share transfers under the overall supervision of the Shareholders' Grievance Committee.

(xi) *Distribution of Shareholding as of 30th June, 2011 was as follows*:

Category		No. of Shares	%Holding
a)	Promoters and Promoter's Group:		
	Foreign Body Corporate	7,500,000	60.50
b)	Public shareholding		
	(i) Foreign institutional Investors	358249	2.89
	(ii) Bodies Corporate	758552	6.12
	(iii) Non-Resident Indians/Overseas Corporate Bodies	238,903	1.92
	(iv) Clearing Members	3135	0.03
	(v) Individuals	3,538,274	28.54
TOTAL		12,397,113	100.00

(xii) *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 2011, 35.08% shares were held in dematerialized form.

(xiii) *Compliance Officer*: Nand Kishore Khandelwal
Ph. 08454 – 250193. e-mail: nkishore@alumecoindia.com

(xiv) *Plant Location*: Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh– 532 336.

(xv) *Address of correspondence*: Same as in (xiv) above.

(xvi) *Investor Relations*: All queries received from shareholders during the accounting year 2010-11 were responded adequately and in time.

(xvii) *Nomination Facility*: Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding, as permitted under Section 109A of the Companies Act, 1956, 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.

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 2011, as envisaged in clause 49 of the Listing Agreement.

Place: Kallakal
Date: 28.10.2011

Wolfgang Ormeloh
Managing Director

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, 2011, 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.

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: 15.10.2011

Ajay Kishan
Company Secretary
CP No. 1709

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 aluminum 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 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.

(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 than forecasts, thereby generating lesser demand for the Company's products. The management expects that this will be a temporary scenario.

With measures of cost reduction, more efficient management of resources and with substantial technical and financial support of the foreign promoter, the Company is hopeful of reporting favourable results in future.

The plan for 2011-12 is to fully utilize the Company's strengths of human resources and technology for further improving the efficiency, and increasing the domestic market.

(E) Risks and Concerns:

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

(F) Internal Control Systems and their Adequacy:

Internal control systems in all areas of operations are adequate. The Company has an ISO 9001:2008 certification.

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

The period under review witnessed an increase in revenues to Rs. 854.44 million from Rs. 638.72 primarily on account of increase in domestic sales.

The Company sold 5703 M.T. (Domestic ; 3238 M.T.) against 4700 M.T. (Domestic ; 1704 M.T.) during the previous year.

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

During the year the Company entered into a Wage Agreement with the Labour Union for a period of three years ending on March 31, 2013.

Industrial relations are harmonious. The Company recognizes the importance and contribution of the human resources for its growth and development.

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.

AUDITORS' REPORT

To

The members of Alumeco India Extrusion Ltd.

1. We have audited the attached balance sheet of Alumeco India Extrusion Limited ("the Company") as at 30 June 2011, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. *As more fully explained in Note 1 of Schedule 18, the Company has accumulated losses of Rs 170,408,290 as at 30 June 2011 which have exceeded the paid up capital and reserves (Rs. 160,522,805) of the Company at that date. Also, the Company 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 and had been declared sick on 9 February 2010. It is currently in the process of working out a rehabilitation scheme with the BIFR.*
Though the Company has made profits for the year ended 30 June 2010 and 30 June 2011, considering the financial position of the Company at 30 June 2011, there exists uncertainty as to whether the Company will be able to continue as a going concern. However, the financial statements for the year ended 30 June 2011 have been prepared on a going concern basis and do not include any adjustment 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.

4. *As more fully explained in Note 23 of Schedule 18, during the year ended 30 June 2011, the Company has accrued for managerial remuneration, which exceeds the limits specified in Schedule XIII to the Companies Act, 1956 to the extent of Rs 143,856. The Company has applied for Central Government approval for the same, which is pending as at the date of our report. Pending the receipt of approval, such excess remuneration has not been paid.*
5. As required by the Companies (Auditor's Report) Order, 2003, issued by the Ministry of Corporate Affairs in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
6. Further to our comments in the Annexure referred to in paragraph 5 above, 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 purposes 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, profit and loss account and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the balance sheet, profit and loss account and the cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - (e) on the basis of written representations received from the directors as at 30 June 2011, and taken on record by the Board of Directors, we report that none of the Director is disqualified as at 30 June 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date; and
 - (f) *subject to our comments in paragraph 3 and 4 above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts,

give the information required by the Companies Act, 1956 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 2011;
- b. in the case of the profit and loss account, of the profit for the year ended on that date; and
- c. in the case of cash flow statement, of the cash flows for the year ended on that date.

for **B S R & Company**
Chartered Accountants

Firm's registration number: 128032W

Place: Hyderabad

Zubin Shekary

Date: 17 August 2011

Partner

Membership No: 48814

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our auditors' report to the members of Alumeco India Extrusion Limited ("the Company") for the year ended 30 June 2011. 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 by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable.
 - (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper

records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

- (iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii) (a) to 4 (iii) (d) of the Order are not applicable to the Company.

(b) The Company has taken a loan from a party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs 819,367 and the year-end balance of such loan was Rs Nil. The Company has not taken loans from companies or firms covered in the register maintained under Section 301 of the Companies Act, 1956.

(c) In our opinion, the rate of interest and other terms and conditions on which loan have been taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(d) In the case of loan from party listed in the register maintained under Section 301, the Company has been regular in repaying the principal amount as stipulated and in the payment of interest.

- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that sale of certain goods for the specialised requirements of the buyers and that suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for purchase of inventories 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 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 Companies Act, 1956 have been entered in the register required to be maintained under that section.
 - (b) In our opinion, and according to the

information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (v)(a) above and exceeding the value of Rs 5 lakh with any party during the year are for the Company's specialised requirements for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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 Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. 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.

Further, there were no dues on account of Cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid Section comes into force has not yet been notified by the Central Government of India.

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 2011 for a period of more than six months from the date they became payable *except for income tax amounting to Rs. 3,015,288 which is outstanding for more than six months as at 30 June 2011.* 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 Wealth tax, 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 (Rs.)	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	Hyderabad – I Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	1,250,000 (1,000,000)*	2001-02	High court, Andhra Pradesh
Central Sales Tax Act, 1956	Central Sales Tax	3,943,021	2002-03	Appellate Deputy Commissioner, Hyderabad
Central Excise Act, 1944	Interest and Penalty	5,513,620 (3,268,218)*	2005-06	Appellate Commissioner, Hyderabad
Central Sales Tax Act, 1956	Defective C forms	32,572,120	2005-06	Additional Commissioner, Hyderabad
Central Sales Tax Act, 1956	Non-collection of C forms	3,747,034	Previous year 2010-11 to 2011-12	Additional Commissioner, Hyderabad

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

- The Company for the year 2005-06 has received revision notice from Addl. Commissioner of Sales Tax Department claiming escaped turnover of Rs 118,793,462 and proposing tax on them.
- (x) *The Company has accumulated losses amounting to Rs 170,408,290 at the end of the financial year which exceeds its net worth of Rs 160,522,805. The Company has not incurred cash losses in the current year and 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) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the short term funds amounting to Rs 78,765,791 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 Companies Act, 1956.
- (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 **B S R & Company**

Chartered Accountants

Firm's registration number: 128032W

Place: Hyderabad

Zubin Shekary

Date: 17 August 2011

Partner

Membership No: 48814

Balance sheet as at 30 June 2011

	Schedule	As at 30 June 2011 ₹	As at 30 June 2010 ₹
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	2	158,211,130	158,211,130
Reserves and surplus	3	<u>2,311,675</u>	<u>2,311,675</u>
		160,522,805	160,522,805
Loan funds			
Unsecured loans	4	6,063,696	9,068,266
		<u>166,586,501</u>	<u>169,591,071</u>
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	253,978,822	246,784,087
Less: Accumulated depreciation		<u>(186,346,148)</u>	<u>(174,154,617)</u>
Net block		67,632,674	72,629,470
Capital work-in-progress		<u>7,311,328</u>	<u>13,563,275</u>
		<u>74,944,002</u>	<u>86,192,745</u>
Current assets, loans and advances			
Inventories	6	62,679,500	84,832,429
Sundry debtors	7	93,307,521	35,685,330
Cash and bank balances	8	9,018,982	2,994,117
Loans and advances	9	<u>36,259,553</u>	<u>25,643,092</u>
		<u>201,265,556</u>	<u>149,154,968</u>
Current liabilities and provisions			
Current liabilities	10	234,951,481	217,905,262
Provisions	11	<u>45,079,866</u>	<u>28,669,047</u>
		<u>280,031,347</u>	<u>246,574,309</u>
Net current assets		(78,765,791)	(97,419,341)
Debit balance in profit and loss account		170,408,290	180,817,667
		<u>166,586,501</u>	<u>169,591,071</u>
Significant accounting policies	1		
Notes to the accounts	18		

The schedules referred to above form an integral part of the balance sheet.

As per our report attached

for **B S R & Company**

Chartered Accountants

Registration number: 128032W

for **Alumeco India Extrusion Limited**

Zubin Shekary

Partner

Membership number: 48814

Prof. Laxmi Narain

Chairman

Wolfgang Ormeloh

Managing Director

Place: Hyderabad

Date: 17 August 2011

Place: Hyderabad

Date: 17 August 2011

Nand Kishore Khandelwal

Chief Financial Officer

Profit and loss account for the year ended 30 June 2011

	Schedule	For the year ended 30 June 2011	For the year ended 30 June 2010
		₹	₹
INCOME			
Revenues		905,857,042	661,126,663
Less: Excise duty		(51,414,649)	(22,408,328)
Revenues, net of excise duty		854,442,393	638,718,335
Income from job work		-	62,872
Other income	12	<u>22,076,654</u>	<u>12,539,471</u>
		<u>876,519,047</u>	<u>651,320,678</u>
EXPENDITURE			
Material costs	13	707,847,584	522,806,054
Provision for penalty against pending excise cases		14,649,243	-
Personnel costs	14	44,637,382	34,118,435
Manufacturing expenses	15	37,250,076	26,801,099
Administrative and selling expenses	16	45,740,729	42,914,411
Finance expense	17	1,840,629	960,092
Depreciation	5	<u>14,144,027</u>	<u>15,147,429</u>
		<u>866,109,670</u>	<u>642,747,520</u>
Profit before tax and prior period items		10,409,377	8,573,158
Prior period items (net)		-	<u>2,702,739</u>
Profit before tax		10,409,377	11,275,897
Income taxes			
- Current tax		-	-
- Deferred tax charged		-	-
Profit after tax		10,409,377	11,275,897
Balance in profit and loss account brought forward		<u>(180,817,667)</u>	<u>(192,093,564)</u>
Balance carried forward to balance sheet		<u>(170,408,290)</u>	<u>(180,817,667)</u>
Earnings per share (par value Rs 10 each)	18(11)		
EPS before prior period item			
Basic		0.52	0.36
Diluted		0.52	0.36
EPS after prior period item			
Basic		0.52	0.58
Diluted		0.52	0.58
Significant accounting policies	1		
Notes to the accounts	18		

The schedules referred to above form an integral part of the profit and loss account.

As per our report attached

for B S R & Company
Chartered Accountants
Registration number: 128032W

for Alumeco India Extrusion Limited

Zubin Shekary
Partner
Membership number: 48814

Prof. Laxmi Narain
Chairman

Wolfgang Ormeloh
Managing Director

Place: Hyderabad
Date: 17 August 2011

Place: Hyderabad
Date: 17 August 2011

Nand Kishore Khandelwal
Chief Financial Officer

Cash Flow Statement for the year ended 30 June 2011

	30 June 2011	30 June 2010
	₹	₹
Cash flows from operating activities		
Profit before tax	10,409,377	11,275,897
Adjustments:		
Depreciation	14,144,027	15,147,429
Interest income	(3,566,294)	(300,442)
Finance expense	1,840,629	960,092
Loss on sale of fixed assets, net	1,794,056	1,288,653
Unrealised foreign exchange loss/ (gain)	(1,416,968)	1,745,468
Operating cash flows before working capital changes	<u>23,204,827</u>	<u>30,117,097</u>
(Increase)/decrease in sundry debtors	(57,622,191)	(14,094,580)
(Increase)/ decrease in loans and advances	(9,899,840)	17,580,711
(Increase)/decrease in inventories	22,152,929	(49,033,262)
Increase/(decrease) in current liabilities and provisions	<u>35,038,548</u>	<u>27,059,599</u>
Cash generated from operations	12,874,273	11,629,565
Income taxes paid	(37,405)	(27,416)
Net cash provided by operating activities	<u>12,836,868</u>	<u>11,602,149</u>
 Cash flows from investing activities		
Purchase of fixed assets	(4,689,333)	(4,705,937)
Interest received	2,887,075	300,442
Net cash used in investing activities	<u>(1,802,258)</u>	<u>(4,405,495)</u>
 Cash flows from financing activities		
Repayment of long term borrowings	(3,254,561)	(5,348,877)
Interest paid	(1,781,645)	(756,127)
Net cash used in financing activities	<u>(5,036,206)</u>	<u>(6,105,004)</u>
 Net increase / (decrease) in cash and cash equivalents	5,998,404	1,091,650
Cash and cash equivalents at the beginning of the year	2,994,117	1,905,885
Effect of exchange gain/ (loss) on cash and cash equivalents	26,461	(3,418)
Cash and cash equivalents at the end of the year*	<u>9,018,982</u>	<u>2,994,117</u>

* refer to schedule 8 of balance sheet

As per our report attached

for **B S R & Company**

Chartered Accountants

Registration number: 128032W

for **Alumeco India Extrusion Limited**

Zubin Shekary

Partner

Membership number: 48814

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Managing Director

Place: Hyderabad

Date: 17 August 2011

Place: Hyderabad

Date: 17 August 2011

Nand Kishore Khandelwal

Chief Financial Officer

Schedules forming part of the Balance Sheet

	As at 30 June 2011	As at 30 June 2010
	₹	₹
2 Share capital		
Authorised		
12,500,000 (30 June 2010: 12,500,000) equity shares of Rs 10 each	125,000,000	125,000,000
3,500,000 (30 June 2010: 3,500,000) preference shares of Rs 10 each	35,000,000	35,000,000
	160,000,000	160,000,000
Issued, subscribed and paid-up		
12,397,113 (30 June 2010: 12,397,113) equity shares of Rs 10 each fully paid	123,971,130	123,971,130
3,424,000 (30 June 2010: 3,424,000) 10% cumulative redeemable optionally convertible preference shares of Rs 10 each fully paid [Refer to note 8 of schedule 18]	34,240,000	34,240,000
	158,211,130	158,211,130
Notes:		
1) Issued, subscribed and paid-up capital includes:		
a) 7,500,000 (30 June 2010: 7,500,000) equity shares held by OSI India Holding A/S, Denmark (holding company).		
b) 1,212,700 (30 June 2010: Nil) preference shares held by Alumeco A/S, Denmark (holding company of OSI India Holdings A/S, Denmark).		
c) Nil (30 June 2010: 1,212,700) preference shares held by O & S Metallimport, GmbH, Germany (holding company of OSI India Holdings A/S, Denmark).		
3 Reserves and surplus		
Central investment subsidy	306,000	306,000
Capital reserve	8,500	8,500
Securities premium account	1,997,175	1,997,175
	2,311,675	2,311,675
4 Unsecured loans		
Term loans		
The Industrial Fund for Developing Countries (IFU)#	6,063,696	8,248,899
O&S Metallimport, GmbH*	-	819,367
	6,063,696	9,068,266

Includes amount payable within one year Rs. 2,759,406 (30 June 2010: Rs. 2,919,883)

* Includes amount payable within one year Rs. Nil (30 June 2010: Rs. 819,367)

Schedules forming part of the Balance Sheet

5. Fixed assets

Particulars	Gross block			Accumulated depreciation			Net block		
	As at 1 July 2010	Additions	Deletions	As at 30 June 2011	As at 1 July 2010	Charge for the year	Deletions	As at 30 June 2011	As at 30 June 2010
A. Tangible assets (Owned)									
Land	796,371	-	-	796,371	-	-	-	796,371	796,371
Buildings									
- Factory buildings	20,793,198	-	-	20,793,198	7,392,052	694,493	-	12,706,653	13,401,146
- Non factory buildings	10,411,290	-	-	10,411,290	1,881,167	169,240	-	8,360,883	8,530,123
Plant and machinery	148,645,173	410,284	-	149,055,457	119,748,711	6,243,634	-	23,063,112	28,896,462
Dies	40,412,598	7,085,756	3,615,429	43,882,925	27,489,194	5,271,140	1,895,181	30,865,153	12,923,404
Electrical installation	15,896,445	16,400	-	15,912,845	12,749,734	752,385	-	2,410,726	3,146,711
Furniture and fittings	3,016,053	7,696	-	3,023,749	1,161,798	178,482	-	1,683,469	1,854,255
Office equipment	2,143,692	11,630	-	2,155,322	549,946	95,280	-	1,510,096	1,593,746
Computers	3,359,562	170,730	131,116	3,399,176	2,707,537	231,621	57,315	517,333	652,025
Vehicles	1,309,705	-	-	1,309,705	474,478	124,422	-	598,900	835,227
Total (A)	246,784,087	7,702,496	3,746,545	250,740,038	174,154,617	13,760,697	1,952,496	185,962,818	72,629,470
B. Intangible assets (Owned)									
Computer software	-	3,238,784	-	3,238,784	-	383,330	-	383,330	-
Total (B)	-	3,238,784	-	3,238,784	-	383,330	-	383,330	-
Total (A+B)	246,784,087	10,941,280	3,746,545	253,978,822	174,154,617	14,144,027	1,952,496	186,346,148	72,629,470
Previous year	242,895,534	7,142,994	3,254,441	246,784,087	160,972,976	15,147,429	1,965,788	174,154,617	72,629,470

Schedules forming part of the Balance Sheet

	As at 30 June 2011 ₹	As at 30 June 2010 ₹
6 Inventories		
Raw material*	42,586,936	58,316,227
Work-in-progress	5,997,798	12,031,008
Finished goods	2,784,965	2,261,985
Stores, spares and consumables	11,309,801	12,223,209
	<u>62,679,500</u>	<u>84,832,429</u>
* Raw material include stock in transit Rs. 14,337,173 (30 June 2010: Rs. 39,858,139)		
7 Sundry debtors		
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months		
- considered doubtful	-	5,953,877
Other debts*		
- considered good	93,307,521	35,685,330
	<u>93,307,521</u>	<u>41,639,207</u>
Less: Provision for doubtful debts	-	(5,953,877)
	<u>93,307,521</u>	<u>35,685,330</u>
* Includes amounts due from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956: Alumeco Handlerservices, GmbH		
	-	22,742,437
8 Cash and bank balances		
Cash in hand	58,063	25,276
Balances with scheduled banks		
- Current accounts	5,375,050	2,881,308
- Exchange earner's foreign currency accounts	3,585,869	87,533
	<u>9,018,982</u>	<u>2,994,117</u>
9 Loans and advances		
<i>Unsecured</i>		
Considered good		
Advances recoverable in cash or in kind or for value to be received	22,381,724	15,800,184
Advance tax and tax deducted at source [net of provision for tax Rs Nil (30 June 2010: Rs Nil)]	274,140	236,738
Interest accrued but not due	679,219	-
Balances with excise/ customs authorities	2,305,780	869,303
VAT credit receivable	4,903,976	3,606,633
Deposits	5,714,714	5,130,234
	<u>36,259,553</u>	<u>25,643,092</u>
10 Current Liabilities		
Sundry creditors		
- dues to micro and small enterprises	-	-
[Refer to note 12 of schedule 18]		
- dues to creditors other than micro and small enterprises	223,965,474	180,084,015
Advances from customers	9,742,660	36,367,724
Interest accrued on delayed payments	262,949	203,965
Other current liabilities	980,398	1,249,558
	<u>234,951,481</u>	<u>217,905,262</u>
11 Provisions		
Gratuity	6,219,000	5,065,442
Compensated absences	2,270,000	1,661,982
Taxation [net of advance tax Rs. 149,767 (30 June 2010: Rs. 149,767)]	2,865,521	2,865,521
Excise duty and sales tax matters [Refer to note 24 of schedule 18]	33,725,345	19,076,102
	<u>45,079,866</u>	<u>28,669,047</u>

Schedules forming part of the Profit and Loss Account

	For the year ended 30 June 2011 ₹	For the year ended 30 June 2010 ₹
12 Other income		
Sale of scrap (net of excise duty)	3,562,153	3,475,795
Foreign exchange gain, net	4,704,533	8,506,248
Interest on deposits [Gross of tax deducted at source Rs. 37,402 (30 June 2010: Rs. 27,416)]	187,008	274,158
Interest from others	3,379,286	26,284
Miscellaneous income	10,243,674	256,986
	22,076,654	12,539,471
13 Material costs		
a. Decrease/(increase) in inventories		
Opening		
Finished goods	2,261,985	2,817,901
Work-in-progress	12,031,008	11,178,477
	14,292,993	13,996,378
Increase / (decrease) in excise duty on finished goods	237,827	(18,743)
	14,530,820	13,977,635
Closing		
Finished goods	2,784,965	2,261,985
Work-in-progress	5,997,798	12,031,008
	8,782,763	14,292,993
Decrease/(increase) in inventories	5,748,057	(315,358)
b. Raw materials consumed		
Opening stock	58,316,227	8,740,732
Add: Purchases	669,245,306	553,743,422
	727,561,533	562,484,154
Less: Closing stock	42,586,936	58,316,227
	684,974,597	504,167,927
c. Stores, spares and consumables consumed	17,124,930	13,964,154
d. Purchase of stock-in-trade	-	4,989,331
	707,847,584	522,806,054
14 Personnel costs		
Salaries, wages and bonus	35,994,065	27,828,441
Contributions to provident and other funds	3,368,548	2,548,194
Retirement benefits	3,193,052	2,078,893
Staff welfare	2,081,717	1,662,907
	44,637,382	34,118,435
15 Manufacturing expenses		
Power and fuel	36,102,883	25,968,804
Repairs and maintenance		
- Plant and machinery	327,401	233,324
- Buildings	12,275	-
- Others	807,517	598,971
	37,250,076	26,801,099

Schedules forming part of the Profit and Loss Account

	For the year ended 30 June 2011 ₹	For the year ended 30 June 2010 ₹
16 Administrative and selling expenses		
Freight	19,666,495	20,020,684
Travelling and conveyance	7,000,809	5,469,058
Bad debts written off	5,953,877	-
Provision for bad debts written back	(5,953,877)	-
Legal and professional	3,809,159	3,378,966
Discount allowed	2,082,530	298,652
Loss on sale of fixed assets, net	1,794,056	1,288,653
Auditors' remuneration (net of service tax)		
- Audit fees	550,000	550,000
- Tax audit	70,000	70,000
- Other services	796,517	794,536
Insurance	1,149,008	687,624
Claims paid against supplies	1,082,356	4,044,771
Communication	960,636	956,031
Technical and other consultancy charges	890,000	992,148
Director's sitting fees	540,000	600,000
Rent	396,000	396,000
Rates and taxes	226,658	288,870
Printing and stationery	168,911	123,586
Miscellaneous expenses	4,557,594	2,954,832
	45,740,729	42,914,411
17. Finance expense		
Interest on term loans	300,537	464,487
Interest to others	1,191,197	265,895
Bank charges	348,895	229,710
	1,840,629	960,092

Schedules to the financial statements

Background

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).

Schedule 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 and comply with the Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, (the 'Act') 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 estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3. 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.

Schedules to the financial statements

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date and cost of fixed assets not ready for their intended use before such date are disclosed under capital work-in- progress.

4. 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%
Computer software	20%

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.

5. 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.

6. 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.

7. 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.

8. 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 profit and loss account for the year.

Schedules to the financial statements

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 recognized in the profit and loss account. 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.

9. 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 profit and loss account 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 the basis of an actuarial valuation made at the end of each financial year by an independent actuary.
- (iii). Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- (iv). Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

10. 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 recognized 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.

11. Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

12. Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and when it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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.

13. 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 profit and loss account. 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.

Schedules to the financial statements

14. 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 regular revenue generating, investing and financing activities of the company are segregated.

15. 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.

16. Leases

Assets taken on lease where the Group acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the minimum lease rental and other incidental expenses during the lease term or the fair value of the assets taken on lease. The rental obligations, net of interest charges, are reflected in secured loan.

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

Schedule 18: Notes to the accounts

1. Going concern assumption

The Company has earned a net profit of Rs 10,409,377 (30 June 2010: Rs 11,275,897) for the year ended 30 June 2011. It also has accumulated losses of Rs 170,408,290 (30 June 2010: Rs 180,817,667) as on that date compared to the shareholder's funds of Rs 160,522,805 (30 June 2010: Rs 160,522,805). During the previous year, the Company was declared as a sick industrial company by the Board for Industrial and Financial Reconstruction (BIFR) and Industrial Development Bank of India has been appointed as an Operating Agency to assist in working out a rehabilitation scheme. The Company is hopeful of working out a rehabilitation scheme, and therefore, management believes that the Company would be in a position to continue as a going concern for the foreseeable future and meet its financial obligations as they fall due. Accordingly, these financial statements have been prepared under the going concern assumption.

2. Capital commitments and contingent liabilities

Particulars	30 June 2011	30 June 2010
(a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-
(b) Preference share dividend	20,260,230	16,836,230
(c) Tax on preference dividend not provided for	3,286,716	2,861,317
(d) Excise matters under dispute	2,245,401	1,722,486

(e) The Company received an order from the Department of Income Tax under Section 92CA (3) of the Income Tax Act, 1961 disputing the method adopted by the Company in estimating the arm's length price for international transactions with its associated parties. Consequently, the department has estimated an additional income of Rs 28,937,712 and Rs 18,256,357 for the A.Y. 2003-04 and A.Y. 2004-05. The Company got the judgment from CIT (Appeals) in its favor but the department has filed an appeal with Income Tax Appellate Tribunal (ITAT). The Company is hopeful to get the decision in its favor.

For the A.Y. 2005-06, the department has estimated an additional income of Rs 33,216,328 against which the Company has gone into Appeal with CIT and the CIT Appeal has passed the order for Rs 18,546,533 against which the Company has appealed with ITAT.

For the A.Y. 2006-07, the Transfer Pricing Officer (TPO) has added back income of Rs 35,183,477 on account of differential in arms length prices in international transactions, against which the Company has gone into appeal before the Dispute Resolution Panel (DRP), the DRP has passed the order against the Company and the company against its order gone into appeal before ITAT.

Schedules to the financial statements

For the A.Y. 2007-08, TPO has added back income of Rs. 146,108,591 on account of differential in arms length prices in international transactions, against which the Company has gone into appeal before the DRP. 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.

- (f) Further, Rs 5,172,082 and Rs 20,359,269 are under dispute on account of disallowance of interest on term loan, for the assessment years 1994-95 and 1995-96 respectively. The cases are for hearing before the High Court.
- (g) The Company for the year 2005-06 has received revision notice from Additional Commissioner of Sales Tax Department claiming defective C forms for Rs 32,572,120 and escaped turnover of Rs 118,793,462 and proposing tax on them. The Company has asked the department for certain documents. After obtaining the documents and verifying them, the Company will take appropriate action on the notice given by the department.
- (h) For the fiscal year 2010-2011 to 2011-2012, 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 of 30 June 2011 the aggregate amount of 'C' forms to be collected is Rs 187,351,685. 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 Rs 3,747,034.

3. Auditors' remuneration (excluding service tax)

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
Statutory audit fees	550,000	550,000
Tax audit fees	70,000	70,000
Other services	775,000	775,000
Out-of-pocket expenses	21,517	19,536
Total	1,416,517	1,414,536

4. Related party transactions

Name of the related party	Country	Nature of relationship
OSI India Holding A/S (OSI)	Denmark	Immediate holding company
O & S Metallimport GmbH (OSM)	Germany	Holding Company of OSI till 11 March 2011
Alumeco A/S	Denmark	Holding Company of OSI from 11 March 2011
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
IFU	Denmark	Entity having significant influence over the Company
Mr. Wolfgang Ormeloh	Germany	Key Management Personnel
Mr. M. Ratnakar	India	Key Management Personnel
Mr. N.K. Khandelwal	India	Key Management Personnel

Schedules to the financial statements

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

	For the year ended 30 June 2011	For the year ended 30 June 2010
Holding Company		
O&S Metallimport GmbH (OSM)		
• Purchase of material	-	164,663,115
• Sale of material	-	113,597,336
• Claims paid against supplies	-	4,006,114
• Interest on loan taken	14,291	80,788
• Technical services charges paid	-	992,148
• Repayment of unsecured loan	819,367	2,102,810
Alumeco Handlerservices GmbH		
• Purchase of material	343,800,199	202,000,387
• Sale of material	284,278,277	230,100,077
• Claims paid against supplies	353,268	38,657
• Interest provided on overdue bills	1,146,869	203,965
• Die cost collected	162,648	-
Alumeco A/S		
• Sale of material	62,030,930	35,385,073
• Claims paid against supplies	729,088	-
Associate Company		
IFU		
• Repayment of unsecured loan	2,185,203	3,877,765
• Interest on loan taken	286,246	383,699

Balance with Related Parties: ₹

Particulars	Receivable / (Payables) as at 30 June 2011	30 June 2010
O&S Metallimport GmbH (OSM)	-	(819,367)
Alumeco Handlerservices GmbH	-	22,742,437
Alumeco Handlerservices GmbH	(204,607,182)	(154,034,319)
Alumeco A/S	-	(33,760,063)
IFU	(6,063,696)	(8,248,899)
Mr. M. Ratnakar	(345,078)	(85,800)
Mr. N.K. Khandelwal	(209,225)	(97,085)

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
Key Management Personnel		
Remuneration to Key Management Personnel		
Mr. M. Ratnakar	1,796,718	1,445,057
Mr. N.K. Khandelwal	1,943,856	1,713,155

Schedules to the financial statements

5. Particulars of managerial remuneration

₹

Particulars of Transaction	For the year ended 30 June 2011	For the year ended 30 June 2010
Salaries and allowances	3,504,036	2,958,415
Contribution to provident fund and other funds	236,538	199,797
	3,740,574	3,158,212
Directors' sitting fees	540,000	600,000

The above figures do not include provision for gratuity and compensated absences payable to the directors as the same is actuarially determined for the Company as a whole.

6. Prior Period Item

Prior period expenses/ (income) consist of the following:

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
Reversal of retirement benefits excess provision made in earlier years (on account of corrections in the previous years actuarial valuation carried out)	-	(2,702,739)

7. Disclosure regarding Derivative Instruments

- (a) There are no Derivative Contracts outstanding as on 30 June 2011.
- (b) Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing at the year-end:

Particulars	For the year ended 30 June 2011	For the year ended 30 June 2010
Sundry creditors	US \$ 4,562,865	US \$ 4,041,265
Sundry creditors	INR 204,051,320	INR 188,440,209
Sundry debtors	-	US \$ 488,035
Sundry debtors	-	INR 22,742,437
Unsecured loans	€ 93,590	€ 159,260
Unsecured loans	INR 6,063,693	INR 9,068,264

8. Preference share capital

10% Cumulative Redeemable Optionally Convertible Preference Shares of Rs 10 each have been allotted to O&S Metallimport GmbH, Germany and Industrialization Fund for Developing Countries by the Company in the year 2005. As per the terms of the arrangement these preference shares including unpaid dividend can be converted into ordinary equity shares of the Company of Rs 10 each at any time after 3 years from date of allotment or can 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 previous year, the Company has obtained extension of redemption period by further 3 years from the preference shareholders with all other terms remaining unaltered. Accordingly, these preference shares shall be redeemed by the Company at par in three equal installments commencing from the end of 8th, 9th and 10th year from the date of allotment. No conversion option has been exercised so far.

During the year O&S Metallimport GmbH, Germany has transferred the said holding to Alumeco A/S, Denmark along with all rights at the existing terms and conditions.

9. Employee benefit Plans

The Company has a defined benefit gratuity plan. Employees are eligible for gratuity benefits on termination or retirement in accordance with Payment of Gratuity Act, 1972.

Schedules to the financial statements

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

- a. The following table sets forth the amount recognised in the Company's profit and loss account for the period ended 30 June 2011 under gratuity cost:

	For the year ended 30 June 2011	For the year ended 30 June 2010
Interest cost	405,000	428,925
Past service cost	-	-
Current service cost	101,000	*(1,027,717)
Benefits paid	(487,442)	(352,443)
Actuarial (gain) / loss on obligations	1,135,000	136,856
Net benefit expense	1,153,558	(814,379)

* includes prior period reversal of Rs.1,567,765

- b. Changes in the present value of the defined benefit obligation are as follows:

	For the year ended 30 June 2011	For the year ended 30 June 2010
Opening defined benefit obligation	5,065,442	5,879,821
Interest cost	405,000	428,925
Current service cost	101,000	(1,027,717)
Actuarial Loss	1,135,000	136,856
Benefit paid	(487,442)	(352,443)
Closing defined benefit obligation	6,219,000	5,065,442

Amount recognized in balance sheet

Particulars	As at 30 June 2011	As at 30 June 2010	As at 30 June 2009	As at 30 June 2008	As at 30 June 2007
Present value of funded obligations	6,219,000	5,065,442	5,879,821	5,118,237	5,454,358
Fair value of plan assets	-	-	-	-	-
Net Liability	6,219,000	5,065,442	5,879,821	5,118,237	5,454,358
Amounts in the balance sheet					
Provision for gratuity	6,219,000	5,065,442	5,879,821	5,118,237	5,454,358
Actuarial losses / (gain)	1,135,000	136,856	446,826	400,811	555,843

- c. The principal assumptions used in determining gratuity obligations for the Company's plan is shown below:

	For the year ended 30 June 2011	For the year ended 30 June 2010
Discount rate	8% p.a	7.5% p.a
Attrition rate	5% p.a	5% p.a

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Schedules to the financial statements

Salary escalation rate: The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The actuary has used the Projected Unit Credit (PUC) actuarial method to assess the Plan's liabilities, including those related to death-in-service and incapacity benefits.

10. 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. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprise during the financial year and expects such records to be in existence latest by the end of September 2011, as required by law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

11. Earnings per share

	For the year ended 30 June 2011	For the year ended 30 June 2010
Earnings (₹)		
Net profit / (Loss) after tax for the year		
- Before prior period item	10,409,377	8,573,158
- After prior period item	10,409,377	11,275,897
Less : Preference dividend including tax on dividend	3,979,476	4,099,177
Net profit for calculation of basic earnings per share (₹)		
- Before prior period item	6,429,901	4,473,981
- After prior period item	6,429,901	7,176,720
Shares		
Weighted average number of equity shares in calculating basic EPS (in No's) (₹)	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)	5,450,023	5,107,623
Total weighted average number of shares in calculating diluted EPS (A+B)	17,847,136	17,504,736
Earnings per share of par value Rs.10 Basic (₹)		
- Before prior period item	0.52	0.36
- After prior period item	0.52	0.58
Earnings per share of par value Rs.10 Diluted (₹)		
- Before prior period item	0.52	0.36
- After prior period item	0.52	0.58

Schedules to the financial statements

12. 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 2011 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. ₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
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

13. Deferred taxes

Deferred tax (assets) / liabilities included in the balance sheet comprise the following: ₹

	as at 30 June 2011	as at 30 June 2010
Deferred tax liability Excess of depreciation allowable under Income tax law over depreciation provided in accounts	2,305,319	3,699,526
Deferred tax asset Brought forward losses and unabsorbed depreciation (restricted to the amount of deferred tax liability)	(2,305,319)	(3,699,526)
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.

14. 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.

Schedules to the financial statements

Geographical segment:

The Company sells aluminium extrusions in both, overseas and India, geographical segments. However, majority of the revenues comes from the Indian segment [41% from the overseas segment for the year ended June 30, 2011 (59% from the overseas segment for the year ended June 30, 2010)]. The following table shows revenue of the segments for the year ended June 30, 2011 and for the year ended June 30, 2010 and assets of the segments as at June 30, 2011 and as at June 30, 2010.

Particulars	India		Overseas		Total (₹)	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
Revenue (net)	508,133,186	259,635,849	346,309,207	379,082,486	854,442,393	638,718,335
Assets (excluding Debit balance in Profit & Loss account)						
- Sundry debtors	93,307,521	12,942,893	-	22,742,437	93,307,521	35,685,330
- Other assets	183,051,804	199,812,150	-	-	183,051,804	199,812,150
Additions to fixed assets (including capital work-in-progress)	4,689,333	4,705,937	-	-	4,689,333	4,705,937

15. Earnings in foreign currency

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
FOB value of exports	333,224,127	366,385,394

16. Expenditure in foreign currency

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
Interest on loan from IFU	286,246	383,699
- O&S Metallimport, GmbH	14,291	80,788
Interest on delayed payment to Alumeco Handlerservices GmbH	1,146,869	203,965
Claims paid against supplies	1,082,356	4,044,771
Technical and other consultancy charges	-	992,148
Travelling and conveyance	69,450	-

Additional information pursuant to the provisions of paragraph 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956.

17. Licensed, installed capacity and actual production of aluminum extrusions

(in metric tons)

	For the year ended 30 June 2011	For the year ended 30 June 2010
Licensed capacity	8,500	8,500
Installed capacity*	8,500	8,500
Actual production - Own production	5,700	4,690
- Job work production	-	2

*Installed capacity are as certified by management and have not been verified by the auditors as this is a technical matter.

Schedules to the financial statements

18. Sales details of aluminum extrusions at gross value

Category	Quantity in tons		Value in ₹	
	For the year ended 30 June 2011	For the year ended 30 June 2010	For the year ended 30 June 2011	For the year ended 30 June 2010
Aluminum extrusions				
Manufactured	5,703	4,700	905,857,042	655,727,321
Traded	-	93	-	5,399,342
Total	5,703	4,793	905,857,042	661,126,663

19. Consumption of raw materials and components

Category	Quantity in tons		Value in ₹	
	For the year ended 30 June 2011	For the year ended 30 June 2010	For the year ended 30 June 2011	For the year ended 30 June 2010
Aluminum metals	5,694	4,799	684,974,597	509,157,258
Others	-	-	17,124,930	13,964,154
	5,694	4,799	702,099,527	523,121,412

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

20. Value of imports calculated on CIF basis

₹

	For the year ended 30 June 2011	For the year ended 30 June 2010
Raw materials	349,165,677	377,482,599
Die steel	-	470,998
Dies	-	599,639
Spares	372,629	676,964

21. Imported and indigenous raw materials, and stores and spares consumed

Category	% of total consumption		Value in ₹	
	For the year ended 30 June 2011	For the year ended 30 June 2010	For the year ended 30 June 2011	For the year ended 30 June 2010
Imported	54.71	73.75	384,118,043	385,803,876
Indigenous	45.29	26.25	317,981,484	137,317,536
	100.00	100.00	702,099,527	523,121,412

22. Details of finished goods

Category	Quantity in tons		Value in ₹	
	For the year ended 30 June 2011	For the year ended 30 June 2010	For the year ended 30 June 2011	For the year ended 30 June 2010
Aluminum extrusions				
Opening stock	18	28	2,261,985	2,817,901
Closing stock	15	18	2,784,929	2,261,985

Schedules to the financial statements

23. Remuneration to key managerial personnel for the year ended 30 June 2011, includes Rs 143,856 representing remuneration beyond the limits specified in Schedule XIII to the Companies Act, 1956.

The Company has applied to the Central Government for approval for the amount, which is pending. Pending receipt of the approval, the said amount has not been paid.

24. 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')

Provision for excise duty and sales tax matters

This provision is towards excise duty and sales tax, which the Company has paid under protest to the respective department. This will be used in case the orders with regard to these are not in favour of the Company. The Company, however, could not estimate with reasonable certainty the period of utilization of the same.

₹

	as at 30 June 2011	as at 30 June 2010
Opening balance	19,076,102	19,076,102
Add: Provision	14,649,243	-
Less: Utilisation	-	-
Less: Reversal	-	-
Closing balance	33,725,345	19,076,102

25. Previous year comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification.

for **B S R & Company**

Chartered Accountants

Registration number: 128032W

for **Alumeco India Extrusion Limited**

Zubin Shekary

Partner

Membership number: 48814

Prof. Laxmi Narain

Chairman

Wolfgang Ormeloh

Managing Director

Nand Kishore Khandelwal

Chief Financial Officer

Place: Hyderabad

Date: 17 August 2011

Place: Hyderabad

Date: 17 August 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No : CIN : 74999AP1988PLC008966

Balance Sheet Date : 30062011

State Code: 01

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

166587

Total Assets

166587

Sources of Fund

Paid-up Capital

158211

Reserves & Surplus

002312

Secured Loans

NIL

Unsecured Loans

6064

Application of Funds

Net Fixed Assets

74944

Investment

NIL

Net Current Assets

(78765)

Misc. Expenditure

NIL

Accumulated Losses 170408

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

Turnover

876519

Total Expenditure

866110

Profit/(Loss) Before Tax

10409

Profit/(Loss) After Tax

10409

Earning per share in Rs.

0.52

Dividend Rate %

NIL

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

Item code No. (ITCCode) : 76.04

Product Description Aluminium Profiles/Bars/rods

Item Code No. (ITC Code) 76.08

Product Description Aluminium Tubes/Pipes

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

E-Communication Registration Form

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

Unit : Alumeco India Extrusion Limited

Green Initiative in Corporate Governance

I / We hereby exercise my/our option to receive the annual report in electronic mode pursuant to the 'Green Initiative of the Government.

Name of the Registered Holder :-----

Client ID or Folio No. :-----

Email ID :-----

Date :

Signature

Note :

Kindly keep the Company's Registrar XL Softech Systems Limited informed as and when there is any change in the email address.

ALUMECO INDIA EXTRUSION LIMITED

Registered Office: Sy. Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District,
Andhra Pradesh 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 23rd Annual General Meeting of the Company, to be held on Wednesday, 14th December, 2011 at 11.30 a.m. and at any adjournment thereof.

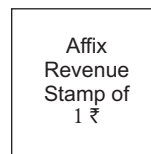
Mr./Ms. _____, _____ or failing him/her
(name of the proxy) (signature of proxy)

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

Number of Shares held _____

Signed & dated _____, 2011.

Folio No. / DP ID * & Client ID*



* Applicable for investors holding shares in dematerialized form

signature

NOTES:

1. The Proxy, to be effective, should be deposited at the Registered Office of the Company, not less 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,
Andhra Pradesh 502 336.

ATTENDANCE SLIP

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

DP Id *		Folio No.	
Clieeny Id *		No. of shares	

NAME & ADDRESS OF THE SHAREHOLDER

.....

.....

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company held on Wednesday, 14th December, 2011 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

Note : For convenience of the shareholders attending the meeting, the Company is providing transport facility from A. P. Transco Office, near Bowenpally Post Office, Bowenpally - Secunderabad. The vehicle will start for the factory at 10.15 a.m. Shareholders are requested to avail this facility.

Kindly do not bring non- shareholders and children to the meeting.

If undelivered, please return to :



ALUMECO INDIA EXTRUSION LIMITED

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