



ALUMECO INDIA EXTRUSION LIMITED

21st Annual Report – 2009

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
Mr. Nand Kishore Khandelwal

Chief Commercial Officer
Mr. M. Ratnakar

**Company Secretary &
Compliance Officer**
Mr. Raghu Sadhu

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

BANKERS

The Karur Vysya Bank Limited
R.P. Road,
Secunderabad - 500 003

Standard Chartered Bank
Somajiguda Branch,
Hyderabad-500 082

HDFC Bank Limited
Paradise Circle,
Secunderabad - 500 003

State Bank of Hyderabad
Medchal Branch - 501 401

Axis Bank Limited
Kompally, Hyderabad - 500 014

**Registrar &
Share Transfer Agent**
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

CONTENTS

Notice	....	....	....	01
Directors' Report	....	....	....	04
Report on Corporate Governance	....	....	....	08
Management Discussion and Analysis	....	....	....	14
Auditors' Report	....	....	....	16
Balance Sheet	....	....	....	20
Profit & Loss Account	....	....	....	21
Cash Flow Statement	....	....	....	22
Schedules to Balance Sheet & P&L Account	....	....	....	23
Significant Accounting Policies	....	....	....	28
Notes to Accounts	....	....	....	31
Balance Sheet Abstract	....	....	....	39
Attendance Slip and Proxy Form	....	....	....	40

NOTICE TO SHAREHOLDERS :

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Alumeco India Extrusion Limited will be held on Tuesday, 10th November, 2009 at 2.00 p.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 21st Directors' Report, Balance Sheet as at 30th June, 2009, Profit & Loss Account and Cash Flow Statement for the year ended on that date, and the report of the Auditors' thereon.
2. To appoint a Director in place of Prof. Laxmi Narain, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashish Kumar Gupta, who retires by rotation and being eligible, offers himself for reappointment.
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 **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. 100,000 per month, which consists of basic, contribution of provident fund and various allowances, to Mr. M. Ratnakar, Whole-time Director (Chief Commercial Officer) of the Company, with effect from January, 2009 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 or any other amendments thereto".

By Order of the Board

For Alumeco India Extrusion Limited

Hyderabad
29th September, 2009

Raghu Sadhu
Company Secretary

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 31st October 2009 to 9th November, 2009 (both days inclusive) for the purpose of Annual General Meeting.

EXPLANATORY STATEMENT FOR THE SPECIAL BUSINESS

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

The shareholders at their 19th annual general meeting held on 20th December, 2007 approved the appointment of Mr. M. Ratnakar as Whole-time Director, by ordinary Resolution (item No.6) with authorization to Board of Directors to revise the remuneration payable to Mr. M. Ratnakar, subject to the limits prescribed under Schedule XIII of the Companies Act, 1956. Pursuant to the above, the Board of Directors, on the recommendation of the Remuneration Committee, revised remuneration of Mr. M. Ratnakar to Rs. 100,000 per month with effect from 1st October, 2008. At that time the Company had a positive net worth i.e its net effective capital was more than Rs. 10 million and hence the company could pay a remuneration of Rs. 100,000 p.m. However, by the end of December, 2008, the Company's net worth become negative and as such, the approval of shareholders by way of special

resolution is required. As such, the said resolution is recommended for the approval of shareholders.

In this regard, the following information is required to be disclosed in terms of Schedule XIII of the Companies Act, 1956.

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 the table below.

(iv) Export performance: The Company is exporting about 70% of its production to the group company in Germany. (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	30.06.2009	30.06.2008	30.06.2007
Sales and other income	610.05	1093.88	1248.98
Profit before Tax and prior period items	(46.02)	(60.18)	32.67
Finance Charges	1.46	4.55	5.76
Depreciation	18.67	21.23	19.42
Prior period items		5.36	14.98
Profit after Tax	(49.24)	(65.87)	17.40

2. Information about the managerial person:(i) Background details - Mr. M. Ratnakar, aged 40, is a Mechanical Engineer with 19 years of experience in marketing, import and export, commercial operations and general administration. (ii) Past remuneration - a) Rs. 75,000/- p.m from January, 2008 to September, 2008; b). Rs.100,000/- p.m. from October, 2008. (iii) Remuneration proposed – same as (ii) (b) above. (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 economic 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 diversifying market reach in domestic market 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 and focussing its efforts to improve productivity

None of the Directors, except Mr. M. Ratnakar, is concerned or interested in the resolution.

By Order of the Board
For Alumeco India Extrusion Limited

Place: Hyderabad Raghu Sadhu
Date: 29th September, 2009 Company Secretary

Details of Directors seeking reappointment:

Name of Director	: Prof. Laxmi Narain	Name of Director	: Mr. Ashish Kumar Gupta
Date of Birth	: 02. 02.1930	Date of Birth	: 10. 02.1975
Date of Appointment	: 27.06.1994	Date of Appointment	: 28.10.2005
Qualifications	: M.Com., LL.B., Ph.D (London School of Economics)	Qualifications	: Chartered Accountant
Expertise in specific functional areas	: Significant Knowledge and experience in the field of Business Management	Expertise in specific functional areas	: Expertise in Taxation, Audit and Corporate laws
List of other companies* in which directorship held.	: NIL	List of other companies in which directorship held	: Nil
List of the Committees of other Companies in which Chairmanship/ membership held	: NIL	List of the Committees of other Companies* in which chairmanship /membership held	: Nil
Chairman/member of the Committees of the Company	: i.Chairman Investors' Grievance & Share Transfer Committee ii.Chairman-Remuneration Committee iii. Member-Audit Committee.	Chairman/member of the committees of the Company	: i. Chairman - Audit Committee ii. Member - Investors' Grievance & Share Transfer Committee iii. Member - Remuneration Committee

* Excludes private companies and foreign companies.



DIRECTORS' REPORT

Dear Members,

On behalf of the Board I present the Twenty First Annual Report on the business and operations of the Company together with the

Financial Highlights:

Particulars

Sales (Net)	575.77	1062.86
Other Income	34.28	31.02
Total Revenue	<u>610.05</u>	<u>1093.88</u>
Profit (loss) before Financial Expenses, Depreciation & Taxes	(25.88)	(34.40)
Financial Expenses	1.46	4.55
Depreciation	<u>18.66</u>	<u>21.24</u>
Profit (loss) before Tax	<u>(46.02)</u>	<u>(60.19)</u>
Provision for Tax	3.21	0.32
Profit after Tax	<u>(49.24)</u>	<u>(60.50)</u>
Prior period items	0.00	5.37
Net Profit (loss) after Tax	<u><u>(49.24)</u></u>	<u><u>(65.87)</u></u>

Audited Statements of Accounts along with the Report of the Auditors, for the year ended 30th June, 2009.

	Current year 2008 - 2009	(Rs. Million) Previous year 2007 - 2008
Sales (Net)	575.77	1062.86
Other Income	34.28	31.02
Total Revenue	<u>610.05</u>	<u>1093.88</u>
Profit (loss) before Financial Expenses, Depreciation & Taxes	(25.88)	(34.40)
Financial Expenses	1.46	4.55
Depreciation	<u>18.66</u>	<u>21.24</u>
Profit (loss) before Tax	<u>(46.02)</u>	<u>(60.19)</u>
Provision for Tax	3.21	0.32
Profit after Tax	<u>(49.24)</u>	<u>(60.50)</u>
Prior period items	0.00	5.37
Net Profit (loss) after Tax	<u><u>(49.24)</u></u>	<u><u>(65.87)</u></u>

Dividend:

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

Results of Operations:

During the period under review, your Company sold 3893 tons (export component 2938 tons), as against 7158 tons (export component 5364 tons) during the previous year.

As the year under review was marked by world-wide economic recession, resulting in lowest ever demand for the Company's products, the Company could utilize only about half of its capacity. However, the Company's efforts to develop and refine its customer base and strike at the right balance of product mix has started giving results in the form of improvement in domestic sales.

The net loss of the Company for the year is Rs. 49.24 million. The accumulated loss at the year end Rs. 192.09 million, is more than 100% of the Company's net worth.

As is well known, the year was marked by one of the biggest downturn in the global economy after the depression of the 1930's. It has hit us in terms of reduced demand of the products, thus shrinking the sales. The global commodity price

melt down has also affected the Company hard on account of inventory devaluation.

During this year also Company had to pay and provide for Rs. 3.94 million against Sales Tax liabilities primarily on account of the misdeeds / defaults committed by the previous promoters. The Company is exploring legal avenues to hold the previous promoters liable for the evasions.

Based on 2007-08 financials, wherein more than 50% of the net worth of the Company was eroded, the Company made a report to BIFR, as required under the provisions of the Sick Industrial Companies Special (Provisions) Act, 1985 (SICA) on 26th February, 2009. However, as the net worth of the Company got completely eroded by the end of December, 2008 (six month period of the year under review), the Board of Directors made a reference to BIFR, as required under the provisions of the SICA. Reference made by the Company has been registered vide case no. 11/2009.

Directors:

Prof. Laxmi Narain and Mr. Ashish Kumar Gupta, 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, 2009 and of the loss of the Company for the year. (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 are 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:

I. Point No. 3 of the Audit Report :

The Company has incurred a net loss of Rs. 49,240,598 for the year ended 30 June 2009 and has accumulated losses of Rs. 192,093,564 as on that date exceeding the paid up capital and reserves of the Company at that date. Also, the Company has 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 was registered with BIFR on 4 March 2009. The financial statements have been prepared on a going concern basis which in our view, considering the financial position of the Company at that date, may no longer be valid. In the absence of information on the net realisable value of the assets and liabilities, we are unable to comment on the impact, if any, on the accompanying financial statements for the year ended 30 June 2009.

Management's reply: The net loss of the Company for the year is Rs. 49.24 million. The accumulated loss at the year ending June 30, 2009

is Rs. 192.09 million. This is more than 100% of the Company's net worth. As required, the Company has made reference to the Board for Industrial and Financial Reconstruction (BIFR) for declaring it as a sick company. The Company is hopeful of working out a rehabilitation scheme, and therefore, Management strongly believes that the Company would be in a position to continue as a going concern and meet its financial obligations as they fall due.

II. Point No. 19 of Annexure to the Audit Report:

The Company has accumulated losses amounting to Rs. 192,093,564 at the end of the financial year which exceeds its net worth of Rs. 160,522,805. The Company has incurred cash losses in the current year and in the immediately preceding financial year.

Management's reply:

The cash loss during the year is mainly on account of devaluation of inventory due to fall in global commodity prices, lower capacity utilization, owing to the effect on sales of worldwide slowdown and sales tax liability relating to previous management period.

III. Point No. 26 of Annexure to the Audit 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. 14,444,808 have been used for long-term purposes.

Management's reply: The said amount represents excess of current liabilities over the current assets. This has been caused due to current financial situation of the Company on account of factors as referred to in II above.

Cost Audit:

Mr. A.V.N.S. Nageswara Rao, Cost Accountant, Secunderabad, was appointed as Cost Auditor for the year ended 30th June 2009. The Cost Audit for the year ended 30th June 2009, is under progress and the Report would be submitted as prescribed.

Secretarial Audit:

As prescribed by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out Secretarial audit at the specified periods. The findings of the audit, which are satisfactory, are being 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 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 in Annexure - I.

Managing Director and Chief Financial Officer Certification:

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

Particulars of Employees Remuneration:

There being no employee, as on 30th June, 2009, drawing remuneration of more than Rs.24,00,000

per annum, provisions of Section 217 (2A) of the Companies Act, 1956 are not applicable.

Internal Audit:

M/s. Laxminiwas & Co., Chartered Accountants, Hyderabad, is conducting Internal Audit on a regular basis, which is being reviewed and followed up by the Audit Committee.

Listing of Securities:

The Company's securities are listed on The Bombay Stock Exchange. The Company is regular in paying the annual listing fees to the Stock Exchange.

Personnel:

Employee relations were cordial in general. 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

Place: Hyderabad **Prof. Laxmi Narain**

Dated: 29th September 2009 Chairman

Annexures to the Directors' Report**Annexure - I**

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 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 Company has under taken the energy audit and the recommendations are in the process of implementation.

Form - 'A'
(A) Power and Fuel Consumption:

Particulars	Year ended 30 th June, 2009	Year ended 30 th June, 2008
1 Electricity		
a) Purchased Units	3,913,597	6,649,785
Total Amount (Rs.)	15,916,296	24,355,430
Avg. Cost/KWH (Rs.)	4.06	3.66
b) Own Generation		
i) Through Diesel Generator		
Units (generated)	132,932	135,040
Units/Liters of Diesel Oil	2.70	2.32
Avg. Cost / Ltrs. (Rs.)	37.15	34.00
ii) Through Steam Turbine Generator	NIL	NIL
Coal Consumption	NIL	NIL
2 Furnace Oil (Ltrs.)	313,776	713,116
Total Amount (Rs.)	8,229,119	15,979,826
Avg. Cost /K. Ltr. (Rs.)	26.22	22.40
3 Others/Internal Generation	NIL	NIL

(B) Consumption per unit of Production:

Particulars	Year ended 30 th June, 2009	Year ended 30 th June, 2008
Products: Aluminium Extrusions (tons)	3857	7449
Electricity (KWH / tons)	1014	893
Furnace Oil (Ltrs. / tons melted)	111.14	121.54

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 visit the Plant and provide 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 improvement, cost reduction, product development, import substitution etc.: It will take some time to materialize. (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)

Total Foreign Exchange:	During 2008-2009	During 2007-2008
Outgo	423,410,858	863,197,228
Earned	435,191,393	774,782,487

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:

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

Wolfgang Ormeloh
Managing Director

Nand Kishore Khandelwal
Chief Financial Officer

Date : 07.09.2009
Place : Kallakal (Medak Dist.)

Date : 07.09.2009
Place: Kallakal (Medak Dist.)

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, 2009, headed by Chairman, an independent director. The Board formulates policy so as to lead and direct the Company. The directors bring with them rich and varied experience in different fields of corporate functioning.

The Board held six meetings during the year, i.e., on (i) 23rd July, 2008, (ii) 23rd September, 2008, (iii) 24th October, 2008, (iv) 30th January, 2009 (v) 24th February, 2009 and (vi) 28th April, 2009.

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	6	6	Yes
Mr. Wolfgang Ormeloh	Managing Director	6	3	Yes
Mr. Hans Schweers	Foreign Promoter (Non-Executive)	6	0*	No
Mrs. Deepa Hingorani	Nominee of Promoter (Non-Executive)	6	2	No
Mr. Ashish Kumar Gupta	Independent Director	6	6	Yes
Mr. M. Ratnakar	Whole-time Director	6	6	Yes
Mr. Nand Kishore Khandelwal *	Alternate to Mr. Hans Schweers	6	5*	Yes

*Mr. Nand Kishore Khandelwal, who was appointed as alternate Director to Mr. Hans Schweers on 23rd September, 2008, attended five meetings after the appointment and also attended 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	1	5	Nil	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

I. Audit Committee

The Committee 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 reviewing with management the annual financial statements before submission to the Board. The Committee periodically reviews with the management 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 any areas of concern, and reviews their written comments. The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. The Committee also reviews the quarterly and annual financial statements before they are submitted to the Board. The Committee comprises:

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 six meetings during the year, i.e., on (i) 23rd July, 2008, (ii) 23rd September, 2008, (iii) 24th October, 2008, (iv) 30th January, 2009, (v) 24th February, 2009 and (vi) 28th April, 2009. Mr. Ashish Kumar Gupta and Prof. Laxmi Narain attended all the meetings. Mr. Wolfgang Ormeloh attended three meetings.

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

Mr. M. Ratnakar* appointed as member of the Committee w.e.f. 23.09.2008.

The Committee held four meetings during the year, i.e., on (i) 23rd July, 2008, (ii) 24th October, 2008, (iii) 30th January, 2009, and (iv) 28th April, 2009. Mr. Ashish Kumar Gupta and Prof. Laxmi Narain attended all the meetings. Mr. M. Ratnakar, attended all the meetings after his appointment. The status of the complaints / requests received from the shareholders is as follows:

Pending as on 1 st July, 2008	NIL
Received during the year	8
Resolved / Disposed of during year	8
Pending as on 30 th June, 2009	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 package for the Board level appointees and recommends it to the Board. The Committee was reconstituted on 23.09.2008 by appointing Mrs. Deepa Hingorani as a member in place of Mr. Wolfgang Ormeloh.

The Committee held two meetings during the year, i.e., on (i) 23rd September, 2008, (ii) 24th October, 2008. Mr. Ashish Kumar Gupta and Prof. Laxmi Narain attended all the meetings. Mrs. Deepa Hingorani, attended one meeting.

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.3,40,000/- to Prof. Laxmi Narain and Rs. 3,40,000/- to Mr. Ashish Kumar Gupta. Promoter Directors are not paid any sitting fee.

Shareholding of Directors: Except Prof. Laxmi Narain, who holds 250 shares, no other 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
2008	Registered Office and Works of the Company	17.12.2008	2.00 P.M.
2007	Same as for the year, 2008	20.12.2007	2.00 P.M.
2006	Kamat Lingapur Hotel, Chikoti Gardens, Begumpet, Hyderabad-16	13.12.2006	04.00 P.M.

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

20th AGM : Appointment of Mr. Nand Kishore Khandelwal, as Whole-time Director.

19th AGM : No special resolution was passed at the AGM. A special resolution, however, was passed during 2006-2007, through Postal Ballot for changing the Registered Office of the Company to its Plant.

18th AGM : Delisting of shares from the Hyderabad Stock Exchange.

Management Discussion & analysis Report : It is separately provided in this Report.

V. Disclosures

i) As required by the Accounting Standard-18, details of related-party transactions are at Schedule 20 of 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 10th November, 2009 at 2.00 p.m. at the Registered Office of the Company situated at Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh – 532 336.

- (ii) Financial Year of the Company is 1st July to 30th June.
- (iii) Financial Reporting for the quarters ending 30th September, 2009, 31st December, 2009, 31st March, 2010 will be in the last week of the month following the closure of the quarter and consolidated annual results for the year ending 30th June, 2010 will be reported in September, 2010.
- (iv) Dates of Book Closure will be from 31st October, 2009 to 9th November, 2009.
- (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	High	Low	Month	High	Low
July, 08	16.60	11.70	January, 09	8.63	5.97
August, 08	16.50	13.01	February, 09	7.33	6.35
September, 08	14.95	10.61	March, 09	6.30	4.66
October, 08	12.00	7.00	April, 09	6.94	4.67
November, 08	9.50	6.13	May, 09	9.70	5.70
December, 08	8.85	6.50	June, 09	11.13	8.00

- (ix) Registrar & Share Transfer Agent of the Company is M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph. No. 040-23545913/14/15.
- (x) Share Transfer System: The Registrar and Share Transfer Agent, M/s XL Softech Systems Limited handle share transfers under the overall supervision of the Shareholders' Grievance Committee.
- (xi) Distribution of Shareholding as of 30th June, 2009 was as follows:

Category	No. of Shares	%Holding
a) Promoters and Promoter's Group: Foreign Bodies Corporate	7,500,000	60.50
b) Public shareholding		
(i) Foreign institutional Investors	792,895	6.40
(ii) Bodies Corporate	764,327	6.15
(iii) Non-Resident Indians/Overseas Corporate Bodies	63,244	0.52
(iv) Clearing Members	580	0.00
(v) Individuals	3,276,067	26.43
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 2009, 34.92% shares were held in dematerialized form.
- (xiii) Compliance Officer: Mr. Raghu Sadhu, Company Secretary
Ph. 08454 – 250193. e-mail: cs@alumecoindia.com

- (xiv) Plant Location: Survey Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh– 502 336.
- (xv) Address for correspondence: Same as in (xiv) above.
- (xvi) Investor Relations: All queries received from shareholders during the accounting year 2008-09 have been 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 Agent 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 2009, as envisaged in clause 49 of the Listing Agreement.

Place: Kallakal (Medak Dist.)

Date: 07.09.2009

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, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the 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: 02.09.2009

Ajay Kishan

Company Secretaries

CP No. 5146

Management Discussion and Analysis Report:

(A) Industry Structure and Developments :

Aluminum extrusion industry in India constitutes of two segments viz. Primary and Secondary 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, (2) National Aluminum Company and (3) Sterlite Industries.

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.

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 a vast scope for the growth of aluminium industry.

(B) Opportunities and Threats :

The per capita consumption of aluminium in India is under 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. The key consumer industries in India are power, transportation, consumer durables, packaging and construction. Of this, power is the biggest consumer (about 44% of total) followed by infrastructure (17%) and transportation (about 10% to 12%). However, internationally, the pattern of consumption is in favour of transportation, primarily due to large-scale

aluminium consumption by the aviation industry. With advancement of technology, aluminum extrusions are finding newer applications and have promising future.

Globally, the demand for aluminium is projected to fall by around 7% in 2009 on account of subdued conditions in the key user industries. Due to financial turmoil in the world, the metal prices are coming down and there may be lesser demand for the Company's products. The management expects that this will be a temporary phenomenon.

(C) Segment or Product wise Performance:

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

(D) Outlook:

Global production of primary aluminium rose continuously from 32 million tones (MT) in 2005 to 38 MT in 2007, registering a Compound Annual Growth Rate (CAGR) of 9%. During 2008 the production remained flattish at around 38 MT (2007 levels), on account of significant fall in demand in the second half of the year due to the global credit crisis. The revival in the demand for the metal is expected to start from 2010 globally.

With key consuming industries forming part of the domestic core sector, the aluminium industry is sensitive to fluctuations in performance of the economy. Power, infrastructure and transportation account for almost 3/4th of domestic aluminium consumption. With the government focusing towards bringing back GDP growth rates of about 8%, the key consuming industries are likely to lead the way, which could positively impact aluminium consumption. Domestic demand growth is likely to remain robust over a long term period.

In order to protect the domestic industry, the government is proposing to impose safeguard duty on import of aluminium products. Imports of aluminium flat sheets used by sectors like auto and construction are imposed a duty of 12% to 14% while import of aluminium foils, mainly used by the packaging industry attracts around 25%

to 30% duty. This duty is for a period of two years starting March 2009. 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 2009-10 is to utilize capacity to full, effective resource management to optimize cost, and to secure a larger pie of the domestic market.

(E) Risks and Concerns:

Unhealthy competition from the un-organized sector and falling metal prices across world.

(F) Internal Control Systems and their Adequacy:

Internal control systems in all areas of operations are adequate.

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

The period under review witnessed a sharp decrease in sales revenue from Rs.1093.88 million to Rs.610.05 million. However, the Company's efforts to develop and refine its

customer base and strike at the right balance of product mix has started giving results in the form of improvement in domestic sales.

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

Industrial relations are harmonious in general.

The Company recognizes the importance and contribution of the human resources for its growth and development.

Cautionary Statement:

The statements in this section describes 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.

We have audited the attached Balance Sheet of Alumeco India Extrusion Limited ("the Company") (formerly known as Pennar Profiles Limited) as at 30 June 2009, the Profit and Loss account and the Cash Flow Statement of the Company 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.

1. 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.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India 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.
3. *The Company has incurred a net loss of Rs. 49,240,598 for the year ended 30 June 2009 and has accumulated losses of Rs. 192,093,564 as on that date exceeding the paid up capital and reserves of the Company at that date. Also, the Company has 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 was registered with BIFR on 4 March 2009. The financial statements have been prepared on a going concern basis which in our view, considering the financial position of the Company at that*

date, may no longer be valid. In the absence of information on the net realisable value of the assets and liabilities, we are unable to comment on the impact, if any, on the accompanying financial statements for the year ended 30 June 2009.

4. Further to our comments in the Annexure referred to in paragraph 2 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 purpose of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the Balance sheet, 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 on 30 June 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as at 30 June 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and

(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to our comments in paragraph 3 above, 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 2009;

- b. in the case of the Profit and Loss account, of the loss 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

Hyderabad
29th September 2009

Zubin Shekary
Partner
Membership No: 48814

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in the auditors' report to the members of Alumeco India Extrusion Limited ("the Company") (formerly known as Pennar Profiles Limited) for the year ended 30 June 2009. We report that:

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
2. The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification have been properly dealt with in the books of accounts.
3. Fixed assets disposed off during the year were not substantial.
4. The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year end, written confirmations have been obtained.
5. 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.
6. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and

the book records were not material.

7. As informed, 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, paragraphs 4(iii) (a) to (d) of the order are not applicable.
8. 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. 4,878,929 and the year end balance of such loans was Rs. 2,922,177.
9. In our opinion, the rate of interest and other terms and conditions on which loans 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.
10. In the case of loans taken from companies 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.
11. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of audit.
12. 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.
13. 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 para 12 above and exceeding the value of Rs.5 lakh during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether

- the transactions were made at prevailing market prices at the relevant time.
14. The Company has not accepted any deposits from the public.
 15. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 16. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government 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.
 17. (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. 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, 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 were in arrears as at 30 June 2009 for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of, Investor Education and Protection Fund and Wealth Tax.
 - (c) Further, there were no dues on account of cess under section 44IA 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.
 18. According to the information and explanations given to us, the dues set out in Appendix I in respect of Income tax, Sales tax, Customs duty and Excise duty have not been deposited by the Company on account of dispute.
 19. *The Company has accumulated losses amounting to Rs.192,093,564 at the end of the financial year which exceeds its net worth of Rs. 160,522,805. The Company has incurred cash losses in the current year and in the immediately preceding financial year.*
 20. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers or to any financial institutions. The Company did not have any outstanding debentures during the year.
 21. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 22. In our opinion, and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society.
 23. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
 24. 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.
 25. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
 26. 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.114,444,808 have been used for long-term purposes.
 27. 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.
 28. The Company did not have any outstanding debentures during the year.

29. The Company did not raise any money by public issues during the year.

the Company has been noticed or reported during the course of our audit.

30. According to the information and explanations given to us, no fraud on or by

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

Zubin Shekary
Partner

Hyderabad
29, September 2009

Membership No: 48814

Appendix I as referred in para 18 of Annexure to the Auditor's Report

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount related	Forum where dispute is pending
Central Excise Act, 1944	Interest and Penalty	14,883,081	2002-05	Hyderabad - I, Commissioner
Central Sales Tax Act, 1956	Tax	250,000	2001-02	High Court, Andhra Pradesh
Andhra Pradesh General Sales Tax Act, 1957	Tax and Penalty	16,497,676	2002-03	Appellate Deputy Commissioner
Central Excise Act, 1944	Interest and Penalty	1,199,571	2005-06	Appellate Commissioner

Balance sheet as at 30th June 2009

(All amounts in Indian rupees, except share data and where otherwise stated)

SOURCES OF FUNDS	Schedule	30 June 2009	30 June 2008
Shareholders' funds			
Share capital	2	158,211,130	158,211,130
Reserves and surplus	3	2,311,675	2,311,675
		160,522,805	160,522,805
Loan funds			
Secured loans	4	-	4,878,929
Unsecured loans	5	15,048,841	4,097,757
		15,048,841	8,976,686
Total		175,571,646	169,499,491
APPLICATION OF FUNDS			
Fixed assets & intangibles	6		
Gross block		242,895,534	232,923,657
Less: Accumulated depreciation and amortization		(160,972,976)	(145,125,988)
Net block		81,922,558	87,797,669
Capital work-in-progress (including capital advances)		16,000,332	11,891,646
		97,922,890	99,689,315
Current assets, loans and advances			
Inventories	7	35,799,167	166,119,856
Sundry debtors	8	21,377,553	37,310,598
Cash and bank balances	9	1,905,885	5,531,345
Loans and advances	10	43,346,154	24,998,816
		102,428,759	233,960,615
Current liabilities and provisions			
Current liabilities	11	204,404,051	278,045,243
Provisions	12	12,469,516	28,958,162
		216,873,567	307,003,405
Net current assets		(114,444,808)	(73,042,790)
Profit and loss account		192,093,564	142,852,966
Total		175,571,646	169,499,491

Significant accounting policies

1

Notes to accounts

20

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

for Alumeco India Extrusion Limited

Zubin Shekary
Partner
Membership No. 48814

Prof. Laxmi Narain
Chairman
Place: Hyderabad

Wolfgang Ormeloh
Managing Director
Place : Gustavsburg-Germany

Hyderabad
Date: 29th September 2009

Nand Kishore Khandelwal
Chief Financial Officer
Place: Hyderabad

Raghu Sadhu
Company secretary
Place: Hyderabad

Profit and Loss Account for the year ended 30th June 2009

(All amounts in Indian rupees, except share data and where otherwise stated)

	Schedule	Year ended 30 June 2009	Year ended 30 June 2008
INCOME			
Sales, gross		592,605,792	1,105,504,592
Less : excise duty on sales		(16,833,703)	(42,644,595)
Sales, net		575,772,089	1,062,859,997
Income from job work		202,325	8,762,175
Other income	13	34,076,266	22,260,263
		610,050,680	1,093,882,435
EXPENDITURE			
Decrease/(increase) in inventories	14	21,124,094	(29,264,299)
Raw material consumed	15	474,912,993	943,445,632
Excise duty and sales tax against pending cases		3,943,023	63,057,572
Personnel costs	16	37,397,671	38,301,733
Manufacturing expenses	17	29,686,187	46,587,975
Administrative and selling expenses	18	68,862,693	66,154,469
Financial charges	19	1,469,088	4,548,095
Depreciation	6	18,676,550	21,238,265
		656,072,299	1,154,069,442
Profit/ (Loss) before taxation and prior period items		(46,021,619)	(60,187,007)
Provision for taxation			
- Income Tax for earlier years		3,015,288	-
- Fringe benefit tax		203,691	317,380
Profit/ (Loss) after tax and before prior period items		(49,240,598)	(60,504,387)
Prior period items (net)		-	5,369,768
Net profit/(loss) after tax		(49,240,598)	(65,874,155)
Balance in profit and loss account brought forward...		(142,852,966)	(76,978,811)
Balance carried forward		(192,093,564)	(142,852,966)
Earnings per share			
Basic & diluted - Par value Rs.10 per share	20 (10)	(4.30)	(5.64)

Significant accounting policies

Notes to accounts

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

for Alumeco India, Extrusion Limited

Chartered Accountants

Zubin Shekary

Partner

Membership No. 48814

Prof. Laxmi Narain

Chairman

Place: Hyderabad

Wolfgang Ormeloh

Managing Director

Place : Gustavsburg-Germany

Hyderabad

Date: 29th September 2009

Nand Kishore Khandelwal

Chief Financial Officer

Place: Hyderabad

Raghu Sadhu

Company secretary

Place: Hyderabad

Cash Flow Statement

(All amounts in Indian rupees, except share data and where otherwise stated)

	30 June 2009	30 June 2008
A. Cash flows from operating activities		
Loss before taxation and prior period items	(46,021,619)	(60,187,007)
Adjustments for:		
Depreciation	18,676,550	21,238,265
Interest income	(323,053)	(294,203)
Interest expense	1,126,621	4,548,095
(Profit)/Loss on sale of assets	1,325,124	2,228,395
Fixed assets written off	672,137	1,605,021
Bad debts written off	929,799	3,730,634
Provision no longer required written back	(27,308,097)	(59,783)
Prior period items	-	(5,369,768)
Unrealised foreign exchange loss/(gain)-(net)	1,902,457	6,091,333
Operating cash flows before working capital changes	(49,020,081)	(26,469,018)
(Increase)/decrease in sundry debtors	14,880,843	31,118,429
(Increase)/ decrease in loans and advances	(18,347,338)	(1,049,398)
(Increase)/decrease in inventories	130,320,689	(54,596,949)
Increase/(decrease) in current liabilities	(62,866,884)	97,487,609
Cash generated from operations	14,967,229	46,490,673
Direct taxes (including fringe benefit tax)	(3,218,979)	(317,380)
Net cash provided by operating activities (A)	11,748,250	46,173,293
B. Cash flows from investing activities		
Purchase of fixed assets	(19,367,096)	(23,898,215)
Proceeds from sale of fixed assets	459,710	388,709
Interest received	323,053	294,203
Net cash used in investing activities (B)	(18,584,333)	(23,215,303)
C. Cash flows from financing activities		
Proceeds from long term borrowings	4,337,244	(2,864,059)
Proceeds of short term borrowings	-	(16,500,000)
Interest paid	(1,126,621)	(4,826,771)
Net cash used in financing activities (C)	3,210,623	(24,190,830)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(3,625,460)	(1,232,840)
Cash and cash equivalents at the beginning of the year	5,531,345	6,764,185
Cash and cash equivalents at the end of the year	1,905,885	5,531,345
Components of cash and cash equivalents as at	30 June 2009	30 June 2008
Cash in hand	31,944	456,710
Balances with scheduled banks -in current accounts	1,873,941	5,074,635
	1,905,885	5,531,345

As per our report attached
for B S R & Company
Chartered Accountants

Zubin Shekary
Partner
Membership No. 48814

Hyderabad
Date: 29th September 2009

for Alumeco India Extrusion Limited

Prof. Laxmi Narain
Chairman
Place: Hyderabad

Nand Kishore Khandelwal
Chief Financial Officer
Place: Hyderabad

Wolfgang Ormeloh
Managing Director
Place : Gustavsburg-Germany

Raghu Sadhu
Company secretary
Place: Hyderabad

Schedules to the Balance Sheet

(All amounts in Indian rupees, except share data and where otherwise stated)

Schedule 2: Share Capital	30 June 2009	30 June 2008
Authorised		
12,500,000 (previous year : 12,500,000) equity shares of Rs. 10/- each	125,000,000	125,000,000
3,500,000 (previous year : 3,500,5000) 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 (previous year : 12,397,113) equity shares of Rs.10/- each fully paid	123,971,130	123,971,130
3,424,000 (previous year : 3,424,000) 10% cumulative redeemable optionally convertible preference shares of Rs.10/- each fully paid ¹ (refer note 7)	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 (previous year 7,500,000) equity shares held by OSI India Holding A/s, Denmark (holding company)
 - b) 1,212,700 (previous year 1,212,700) preference shares held by O & S Metallimport, GmbH, Germany. (holding company of OSI India Holdings A/s, Denmark)

Schedule 3: Reserves and Surplus	30 June 2009	30 June 2008
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

Schedule 4: Secured loans	30 June 2009	30 June 2008
From other than banks		
O&S Metallimport, GmbH	-	4,878,929
	-	4,878,929

Schedule 5: Unsecured loans	30 June 2009	30 June 2008
The Industrial Fund for Developing Countries (IFU)#	12,126,664	4,097,757
O&S Metallimport, GmbH*	2,922,177	-
	15,048,841	4,097,757

Includes amount payable within one year Rs.3,471,143 (previous year Rs.1,171,757)

* Includes amount payable within one year Rs.1,948,118 (previous year Rs.1,948,118)

Schedule 6 - Fixed Assets

(All amounts in Indian rupees, except share data and where otherwise stated)

Description	Gross Block				Depreciation				Net Block	
	As at 01 July 2008	Additions/ Adjustments	Sale/ Adjustments	As at 30 June 2009	As at 01 July 2008	For the Period	Sale/ Adjustments	Upto 30 June 2009	As At 30 June 2009	As At 30 June 2008
Land	796.371	-	-	796.371	-	-	-	-	796.371	796.371
Buildings										
- Factory Buildings	14,763,631	6,029,567	-	20,793,198	6,094,788	602,771	-	6,697,559	14,095,639	8,668,843
- Non Factory Buildings	10,170,990	240,300	-	10,411,290	1,545,101	166,826	-	1,711,927	8,699,363	8,625,889
Plant & Machinery	145,901,870	3,279,112	1,049,512	148,131,470	101,724,500	10,772,654	567,632	111,929,522	36,201,948	44,177,370
Dies	34,875,270	4,990,525	2,072,166	37,793,629	19,710,357	5,642,468	961,912	24,390,913	13,402,716	15,164,913
Electrical Installation	14,994,883	336,563	-	15,331,446	11,281,713	718,674	-	12,000,387	3,331,059	3,713,170
Furniture & Fittings	3,970,386	25,337	979,670	3,016,053	1,520,763	242,503	775,884	987,382	2,028,671	2,449,623
Office Equipment	2,437,842	150,586	519,542	2,068,886	638,324	136,705	319,471	455,558	1,613,328	1,799,518
Data Processing Machines	3,152,136	206,420	115,070	3,243,486	2,251,826	251,901	54,055	2,449,672	793,814	900,310
Vehicles	1,860,278	-	550,573	1,309,705	358,616	142,048	150,608	350,056	959,649	1,501,662
Total	232,923,657	15,258,410	5,286,533	242,895,534	145,125,988	18,676,550	2,829,562	160,972,976	81,922,558	87,797,669
Previous Year	216,302,219	23,082,164	6,460,726	232,923,657	126,126,323	21,238,265	2,238,600	145,125,988	87,797,669	

Schedules to the Balance Sheet (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Schedule 7: Inventories	30 June 2009	30 June 2008
Raw material	8,740,732	120,000,341
Work-in-process	11,178,477	30,106,263
Finished goods	2,817,901	4,985,492
Stores and consumables	13,062,057	11,027,760
	<u>35,799,167</u>	<u>166,119,856</u>

Notes:

1) Raw materials include stock in transit Rs.3,943,048 (previous year Rs.51,017,985)

Schedule 8: Sundry debtors	30 June 2009	30 June 2008
<i>Unsecured</i>		
Debts outstanding for a period exceeding six months		
Considered good	-	-
Considered doubtful	5,953,877	7,393,140
Other debts		
Considered good	21,377,553	37,310,598
Considered doubtful	-	1,522,393
	<u>27,331,430</u>	<u>46,226,131</u>
Less: Provision for doubtful debts	<u>(5,953,877)</u>	<u>(8,915,533)</u>
	<u>21,377,553</u>	<u>37,310,598</u>

Notes:

1) Debtors include Rs.9,081,939 (previous year Rs.11,158,703) due from O & S Metallimport GmbH, a company under the same management

Schedule 9: Cash and bank balances	30 June 2009	30 June 2008
Cash in hand	31,944	456,710
Balances with scheduled banks		
- Current accounts	1,873,941	5,074,635
	<u>1,905,885</u>	<u>5,531,345</u>

Schedule 10: Loans and advances	30 June 2009	30 June 2008
<i>(Unsecured)</i>		
<i>Considered good</i>		
Advances recoverable in cash or in kind for value to be received	21,421,832	4,929,168
Balances with customs, excise, etc.	12,851,673	9,483,488
VAT credit receivable	3,606,633	5,421,950
Deposits - others	5,466,016	5,164,210

Considered doubtful

Advances recoverable in cash or in kind or for value to be received	-	14,758,860
	<u>43,346,154</u>	<u>39,757,676</u>
Less: Provision for doubtful loans and advances	-	(14,758,860)
	<u>43,346,154</u>	<u>24,998,816</u>

Schedule 11: Current liabilities	30 June 2009	30 June 2008
Sundry creditors		
- dues to micro and small enterprises *	-	
- others	183,380,032	258,974,069
Advances from customers	2,351,812	3,330,552
Other current liabilities	18,672,207	15,740,622
	<u>204,404,051</u>	<u>278,045,243</u>

* refer to note 11 of schedule 20

Schedules to the Profit and Loss Account

(All amounts in Indian rupees, except share data and where otherwise stated)

Schedule 12: Provisions	30 June 2009	30 June 2008
Provision for gratuity	5,879,821	5,118,237
Provision for leave encashment	2,396,674	1,623,378
Provision for pending excise duty and sales tax matters	4,193,021	22,216,547
	<u>12,469,516</u>	<u>28,958,162</u>

Schedule 13: Other income	Year ended 30 June 2009	Year ended 30 June 2008
Export incentive	-	9,025,501
Sale of scrap	5,184,492	11,003,670
Other income	1,260,624	1,042,514
Interest income	323,053	294,203
Provision written back	27,308,097	59,783
Refund of court fees	-	834,592
	<u>34,076,266</u>	<u>22,260,263</u>

Schedule 14: Decrease/(increase) in inventories	Year ended 30 June 2009	Year ended 30 June 2008
Opening inventories		
Finished goods	4,985,492	1,491,861
Work-in-process	30,106,263	4,534,397
	<u>35,091,755</u>	<u>6,026,258</u>
Increase / Decrease in excise duty on finished goods	28,717	(198,802)
	<u>35,120,472</u>	<u>5,827,456</u>
Closing inventories		
Finished goods	2,817,901	4,985,492
Work-in-process	11,178,477	30,106,263
	<u>13,996,378</u>	<u>35,091,755</u>
Decrease/(increase) in inventories	<u>21,124,094</u>	<u>(29,264,299)</u>

Schedule 15: Raw materials consumed	Year ended 30 June 2009	Year ended 30 June 2008
Opening stock	120,000,341	91,960,208
Add: Purchases	363,653,384	971,485,765
	<u>483,653,725</u>	<u>1,063,445,973</u>
Less: Closing stock	8,740,732	120,000,341
	<u>474,912,993</u>	<u>943,445,632</u>

Schedule 16: Personnel costs	Year ended 30 June 2009	Year ended 30 June 2008
Salaries, wages and bonus	28,620,587	31,976,511
Contributions to provident and other funds	2,562,677	2,943,823
Retirement benefits	3,642,944	1,266,655
Staff welfare expenses	2,571,463	2,114,744
	<u>37,397,671</u>	<u>38,301,733</u>

Schedules to the Profit and Loss Account (Continued)

(All amounts in Indian rupees, except share data and where otherwise stated)

Schedule 17: Manufacturing expenses

	Year ended 30 June 2009	Year ended 30 June 2008
Power and fuel	25,468,211	42,545,628
Loss on Dies discarded	1,110,254	1,981,815
Loss on sale of fixed assets	214,870	246,580
Repairs & maintenance		
-Plant and Machinery	1,340,112	914,222
-Buildings	417,993	492,415
-Others	1,134,747	407,315
	29,686,187	46,587,975

Schedule 18: Administrative and selling expenses

	Year ended 30 June 2009	Year ended 30 June 2008
Rent	396,000	363,000
Rates and taxes	492,430	204,904
Freight	19,440,341	36,454,386
Travelling and conveyance	4,544,424	7,986,715
Insurance expenses	662,081	699,911
Printing and stationery	249,583	685,178
Legal and professional charges	2,790,502	3,532,791
Communication	831,136	1,035,635
Auditors' remuneration (net of service tax)		
- Audit fees	750,000	750,000
- Tax audit	75,000	75,000
- Other services	925,000	700,000
Fixed assets written off	672,137	1,605,021
Bad debts written off	929,799	3,730,634
Provision for doubtful debts		11,672,752
Exchange difference (net)	25,389,141	2,750,908
Director's Sitting Fees	720,000	490,000
Claims paid against supplies	6,177,957	548,316
Miscellaneous expenses	3,817,162	2,869,318
	68,862,693	66,154,469

Schedule 19: Financial charges

	Year ended 30 June 2009	Year ended 30 June 2008
Interest to banks on term loans	-	91,222
Interest to others	1,126,621	1,324,531
Bank charges	342,467	3,132,342
	1,469,088	4,548,095

Schedules to the Balance Sheet/ Profit and Loss Account

Schedule I: Significant Accounting Policies

1. Basis of Preparation.

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises of accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956, to the extent applicable. The financial statements are presented in Indian rupees.

2. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenue and expense for the year. 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. 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.

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 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 follows:

	Rates (SLM)
Plant and Machinery	5.56%
Dies	20%

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 valued as follows:

Raw materials	Lower of cost and net realizable value. However, materials and other items held for use in the manufacturing of inventories are not written down below cost if it is estimated that the finished products in which such material is to be used is expected to be sold at or above cost. Cost is determined on first-in, first-out basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of production overheads based on normal operating capacity. Cost of finished goods includes excise duty.
Stores and Consumables	Inventory of stores and spares is valued at cost.

6. Revenue recognition

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

Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer, which generally coincides with the dispatch of goods. Revenue from job work is recognized as per the terms of contract with the customer.

Interest

Revenue 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

(i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Foreign currency monetary items are reported using the closing rate. 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; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise.

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 & 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 leave encashment 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 on 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, deferred and fringe benefit tax. Current income-tax and fringe benefit 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 recognized 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 realization 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. 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 organization, 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.

12. Earnings per share

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

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

13. 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.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a

possible obligation or a present obligation in respect of which the likelihood of outflow is remote, no provision is made.

14 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.

Schedule 20 – Notes to accounts

1. Going concern assumption

The Company has incurred a net loss of Rs.49,240,598 for the year ended 30 June 2009. It also has accumulated losses of Rs.192,093,564 as on that date compared to the networth of Rs.160,522,805. Further, the company has made a reference to the Board for Industrial and Financial Reconstruction (BIFR) for declaring it as a sick company and will subsequently submit 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.

- The Company during the year ended 30 June 2009, paid/provided for an amount of Rs.3,943,023 towards various demands raised by the sales tax authorities relating to earlier years outstanding cases.

3. Related party transactions

Name of the related party	Country	Nature of relationship
OSI India Holdings A/s (OSI)	Denmark	Immediate holding company
O & S Metallimport GmbH (OSM)	Germany	Holding Company of OSI
Alumeco A/s	Denmark	Holding Company of OSM
H S Metalservice nr 2 ApS (HSM)	Denmark	Holding Company of Alumeco A/S
H S Metalservice ApS	Denmark	Holding Company of HSM
O&S Ratna Aluminium Fabricators Private Limited	India	Companies over which the key management personnel exercise significant influence.
O & S Metallimport Holdings Private Limited	India	Fellow Subsidiary
Mr. Wolfgang Ormeloh	Germany	Key Managerial Personnel
Mr. M. Ratnakar	India	Key Managerial Personnel
Mr. Kamal Kumar	India	Key Managerial Personnel
Mr. N.K. Khandelwal	India	Key Managerial Personnel

The details of the related party transactions entered into by the Company during the year ended 30 June 2009 and 30 June 2008 are as follows:

	For the year ended 30 June 2009	For the year ended 30 June 2008
Holding Company		
O&S Metallimport GmbH (OSM)		
• Purchase of material	326,795,434	857,085,458
• Sale of material	426,022,377	774,782,487
• Claims paid against supplies	6,177,957	548,316
• Interest and Commitment charges on loan taken	306,598	446,407

	For the year ended 30 June 2009	For the year ended 30 June 2008
Key Management Personnel		
Remuneration to Key Management Personnel		
1. Mr. Kamal Kumar (resigned with effect from August 23, 2008)	521,446	1,446,175
2. Mr. M. Ratnakar	1,125,000	7,08,029
3. Mr. R. Ramachandra (resigned with effect from October 26, 2007)	-	1,253,804
4. Mr. N.K. Khandelwal (appointed with effect from September 23, 2008)	1,204,852	-

Balance with Related Parties:

Particulars	Receivable / (Payables) as at	
	30 June 2009	30 June 2008
O&S Metallimport GmbH (OSM) (net)	(161,402,280)	(231,070,581)
Mr. Kamal Kumar	-	196,154

4. Prior Period Item

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

	For the year ended 30 June 2009	For the year ended 30 June 2008
Job work material wrongly taken in closing stock of year 2006-07	-	5,369,768
Total	-	5,369,768

5. Contingent Liabilities

Particulars	30 June 2009	30 June 2008
(a) Arrears of dividend on cumulative preference shares	13,412,230	9,988,230
(b) Tax on preference dividend not provided for	2,186,140	1,604,231
(c) Excise matters under dispute	1,199,571	15,058,543
(d) Sales tax matters under dispute	12,554,655	-

- (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. The consequential liability if any, in respect of taxes and penalties for the subsequent assessment years is presently not determinable as the appeal filed by the IT Department in this regard is pending with the ITAT.
- (f) For the fiscal year 2004-2005 to 2008-2009, the Company has paid sales tax at a concessional rate of 1% 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 Jun 2009 the aggregate amount of 'C' forms to be collected is Rs. 38,614,331. 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. 1,131,909.

6. Particulars of managerial remuneration

Particulars of transactions	For the year ended 30 June 2009	For the year ended 30 June 2008
Salaries & allowances	2,668,119	1,994,304
Contribution to provident fund & other funds	183,179	159,900
	2,851,298	2,154,204

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

7. Disclosure regarding Derivative Instruments

- (a) There are no Derivative Contracts outstanding as on 30 June 2009.

(b) Particulars of unhedged foreign currency exposure as at 30 June 2009 are detailed below at the exchange rate prevailing at the year-end:

Particulars	For the year ended 30 June 2009	For the year ended 30 June 2008
Payable to O&S Metallimport GmbH, Germany	US \$ 3,500,356	US \$ 5,526,202
Payable to O&S Metallimport GmbH, Germany	INR 167,562,042	INR 237,350,355
Receivables from O&S Metallimport GmbH, Germany	US \$ 189,721	US \$ 259,807
Receivables from O&S Metallimport GmbH, Germany	INR 9,081,939	INR 11,158,703
Loan amount payable to IFU	€ 179,150	€ 60,430
Loan amount payable to IFU	INR 12,126,664	INR 4,097,758
Loan amount payable to O&S Metallimport, GmbH	€ 43,170	€ 71,950
Loan amount payable to O&S Metallimport, GmbH	INR 2,922,177	INR 4,878,929

Closing conversion rate as on 30 June 2009 for US\$ = INR 47.87 (30 June 2008, US\$ = INR 42.95) and for € = Rs.67.69 (30 June 2008, € = INR 67.81)

8. Preference share capital

10% Cumulative Redeemable Optionally Convertible (CRCPS) of Rs.10 each have been allotted by the Company in the year 2005. These preference shares including unpaid dividends 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.

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.

The following tables summarize 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. Net employee benefit expenses (recognised in Personnel expenses)

	30 June 2009	30 June 2008
Defined benefit Obligations	5,879,821	5,118,237
Fair value of plan assets	-	-
Net Liability	5,879,821	5,118,237

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

	30 June 2009	30 June 2008
Opening defined benefit obligation*	5,118,237	5,454,358
Interest cost	397,175	463,620
Current service cost	761,584	(336,121)
Actuarial Loss	446,826	400,811
Benefit paid	(844,001)	(864,431)
Closing defined benefit obligation	5,879,821	5,118,237

* As computed by applying the principles contained in Revised AS - 15.

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

	30 June 2009	30 June 2008
Discount rate	7.76% p.a	8.5% p.a
Expected rate of return on plan assets	Not Applicable	Not Applicable
Attrition Rate	5% p.a	5% p.a

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. Loss per share

	For the year ended 30 June 2009	For the year ended 30 June 2008
Earnings		
Net profit /(Loss) for the year	(49,240,598)	(65,874,155)
Less : Preference dividends including tax on dividends	4,005,909	4,005,909
Net profit for calculation of basic earnings per share (Rs.)	(53,246,507)	(69,880,064)
Add: Dividends and dividend tax on convertible preference shares	4,005,909	4,005,909
Net profit for calculation of diluted earnings per share	(49,240,598)	(65,874,155)
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)	*4,765,223	*4,422,823
Earnings per share of par value Rs.10 – Basic and Diluted (Rs)	(4.30)	(5.64)

* The conversion of outstanding CRCPS into equity if made would have the effect of reducing the loss per share and would therefore be anti dilutive. Hence, such conversion has not been considered for the purpose of computing dilutive earnings per share.

11. The Company has during the year sent out letters seeking confirmations from its suppliers whether they fall under the category of micro, small and medium enterprises as mentioned under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available with the Company, the Company believes that it does not have any outstanding dues to micro, small and medium enterprises. Further, the Company has not paid any interest to the micro, small and medium enterprises.

	For the year ended 30 June 2009	For the year ended 30 June 2008
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

12. Deferred taxes

As at June 30, 2009 the Company has unabsorbed tax depreciation. No deferred tax asset (net) has been recognized in respect of such carried forward unabsorbed tax depreciation as there is no virtual certainty about the realization of such assets.

13. Geographical Segment :

The Company sells aluminium extrusions in both, overseas and India, geographical segments. However, majority of the revenues comes from the overseas segment [74% for the year ended June 30, 2009 (73% for the year ended June 30, 2008)]. The following table shows revenue of the segments for the year ended June 30, 2009 and for the year ended June 30, 2008 and assets of the segments as at June 30, 2009 and as at June 30, 2008.

Particulars	India		Europe		Total	
	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08	30-Jun-09	30-Jun-08
Revenue (net)	149,749,712	288,077,510	426,022,377	774,782,487	575,772,089	1,062,859,997
Assets (excluding Debit balance in Profit & Loss account)						
- Debtors	12,295,614	26,151,895	9,081,939	11,158,703	21,377,553	37,310,598
- Other assets	178,974,096	296,339,332	-	-	178,974,096	296,339,332
Additions to fixed assets (including CWIP)	19,367,096	41,083,091	-	-	19,367,096	41,083,091

Note: Fixed assets are located in India only.

14. Earnings in foreign currency

	For the year ended 30 June 2009	For the year ended 30 June 2008
FOB value of exports	413,574,514	751,383,157

15. Expenditure in foreign currency

	For the year ended 30 June 2009	For the year ended 30 June 2008
Interest and commitment charges on loan from		
- IFU	819,536	1,242,483
- O&S Metallimport, GmbH	306,598	446,407
Traveling expenses	-	11,680
Claims paid against supplies	6,177,957	548,316

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

16. Licensed, installed capacity and actual production of aluminum extrusions (Tons)

	For the year ended 30 June 2009	For the year ended 30 June 2008
Licensed capacity	8,500	8,500
Installed capacity	8,500	8,500
Actual production		
-Own production	3,852	7,179
-job work production	6	270

17. Sales details of aluminum extrusions at gross value

Category	Quantity in tons		Value	
	For the year ended 30 June 2009	For the year ended 30 June 2008	For the year ended 30 June 2009	For the year ended 30 June 2008
Aluminum Extrusions	3,855	7,157	592,605,792	1,105,504,592

18. Consumption of raw materials and components

Category	Quantity in tons		Value	
	For the year Ended 30 June 2009	For the year Ended 30 June 2008	For the year ended 30 June 2009	For the year ended 30 June 2008
Aluminum metals	3,879	7,645	463,160,064	919,768,655
Others	-	-	11,752,929	23,676,977
	3,879	7,645	474,912,993	943,445,632

19. Value of imports calculated on CIF basis

	For the year ended 30 June 2009	For the year ended 30 June 2008
Raw materials	326,795,434	856,732,329
Die steel	7,476,014	5,268,413
Spares	1,385,965	1,194,753

20. Imported and indigenous raw materials, components and spare parts consumed

Category	% of total consumption		Value	
	For the year ended 30 June 2009	For the year ended 30 June 2008	For the year ended 30 June 2009	For the year ended 30 June 2008
Imported	95.60	90.74	454,029,350	856,069,046
Indigenous	4.40	9.26	20,883,643	87,376,586
	100.00	100.00	474,912,992	943,445,632

21. Details of Finished goods

Category	QTY (Tons)		Value	
	For the year ended 30 June 2009	For the year ended 30 June 2008	For the year ended 30 June 2009	For the year ended 30 June 2008
Opening stock	31	9	4,985,492	1,491,861
Closing stock	28	31	2,817,901	4,985,492

22. Previous Year Comparatives

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

for Alumeco India Extrusion Limited

Prof. Laxmi Narain

Chairman

Place: Hyderabad

Wolfgang Ormeloh

Managing Director

Place : Gustavsburg-Germany

Hyderabad

Date: 29th September 2009

Nand Kishore Khandelwal

Chief Financial Officer

Place: Hyderabad

Raghu Sadhu

Company secretary

Place: Hyderabad

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. : CIN:L74999APL1988PLC008966

Balance Sheet Date : 30062009

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

184350

Total Assets

184350

Sources of Fund

Paid-up Capital

158211

Reserves & Surplus

002311

Secured Loans

NIL

Unsecured Loans

1504

Application of Funds

Net Fixed Assets

81922

Investment

NIL

Net Current Assets

(11444)

Misc. Expenditure

NIL

Accumulated Losses 19209

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

Turnover

610050

Total Expenditure

656072

Profit/(Loss) Before Tax

(46021)

Profit/(Loss) After Tax

49240

Earning per share in Rs.

(4.30)

Divident Rate %

NIL

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

Item code No. (ITC Code)

: 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: Survey. 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 21st Annual General Meeting of the Company, to be held on Tuesday, 10th November, 2009 at 2.00 p.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 _____, 2009.

Folio No. / DP ID * & Client ID*

Affix
Revenue
Stamp of
One Rupee

Signature

* Applicable for investors holding shares in dematerialized form

NOTES:

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

ALUMECO INDIA EXTRUSION LIMITED

Registered Office: Sy. Nos. 379-382, Kallakal Village, Toopran Mandal, Medak District, 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.	
Client Id *		No. of shares	

NAME & ADDRESS OF THE SHARE HOLDER

I hereby record my presence at the 21st **ANNUAL GENERAL MEETING** of the Company held on Tuesday, 10th November, 2009 at 2.00 p.m. at the Registered Office of the Company.

* Applicable for investors holding shares in dematerialized form.

Signature of the Shareholder / Proxy

Note: For the 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 12.30 p.m. Shareholders can avail this facility.

If undelivered, please return to :



ALUMECO INDIA EXTRUSION LIMITED

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