A roll of blue aluminum foil is shown against a light beige background. The roll is partially unrolled, with the top right corner folded over. The text is centered on the unrolled portion of the foil.

There is more
aluminium in your life
than you think.



Parekh Aluminex Limited.

Largest manufacturer and exporter of aluminium foil containers, rolls and lids in India.

One of the largest players in Asia's rapidly growing aluminium foil packaging sector.

Selected among Asia's 200 Best Under A Billion by business magazine *Forbes* in 2009.



Parentage

Incorporated as Parekh Aluminex Private Limited in September 1994 and converted into a public limited Company in February 1995

Pride

Awarded the ISO 9001:2000 certification by Intertack, Sweden. Accreditations and recognitions include ISO 22000:2005, Dun & Bradstreet rating of 5S1-GOOD, HACCP certification, STAR Export House (by Government of India) and CRISIL rating of AA-/STABLE/P1+

Prestigious clientele

A number of airlines, railways, fast food chains, restaurants and households. The Company's Indian clients include Jet Airways, Indian Airlines, Air India, Kingfisher Airlines, Indian Railways Catering and Tourism Corporation and Taj Air Caterers, among others. Its international clients include B.E. International, Danone Group, SOP International, Emirates Airlines, Singapore Airlines, Thai Airways, Gulf Air, Etihad Airways, Air Asthana and Srilankan Airlines, among others

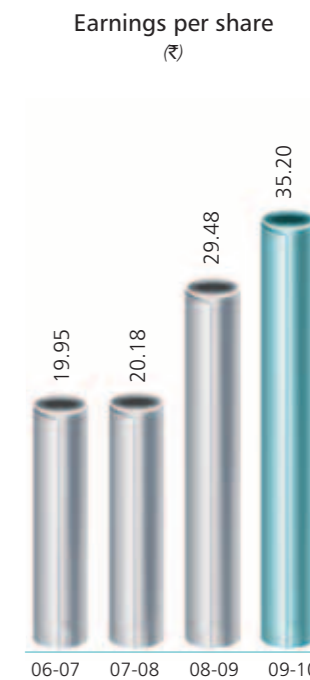
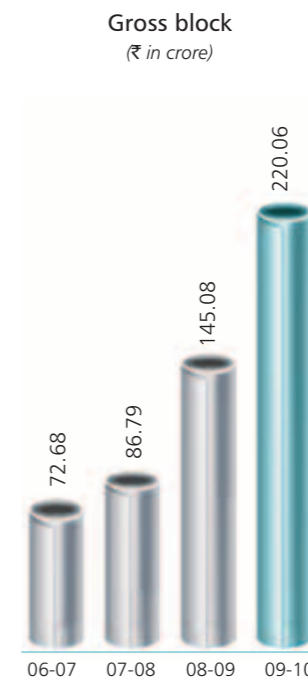
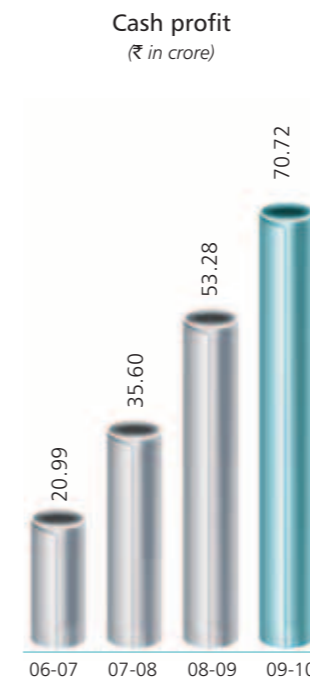
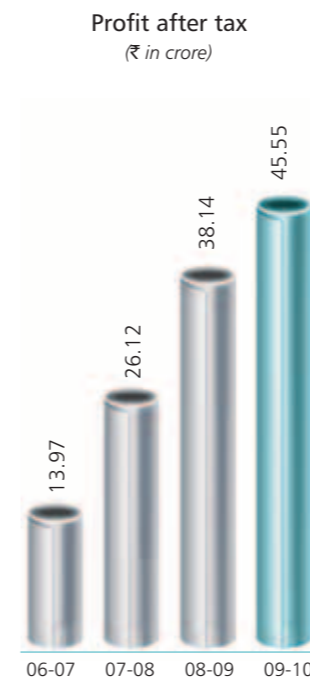
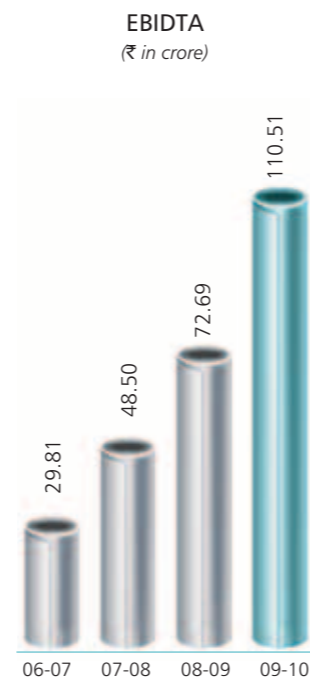
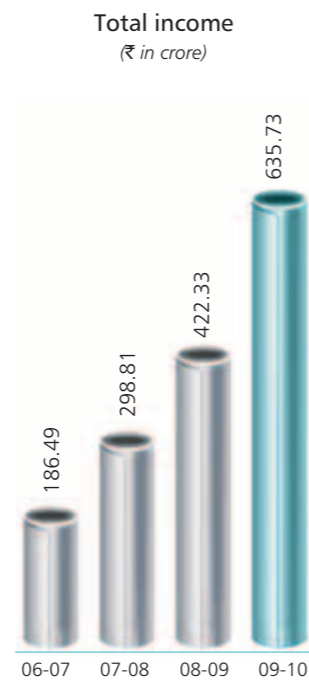
Presence

- Registered and administrative office in Mumbai with three manufacturing facilities in the Union Territory of Dadra and Nagar Haveli
- Export presence in 30 countries including the US
- Listed on the National Stock Exchange and Bombay Stock Exchange

Products

The Company's product basket comprises aluminium foil containers, aluminium foil rolls and lids used for food and related items, ash trays, trays, medicinal trays, casseroles, gas-mats, barbeque servers and bake trays, among others

Our record performance in 2009-10



Highlights, 2009-10

- Total income increased 51 percent from ₹422.33 crores in 2008-09 to ₹635.73 crores in 2009-10
- EBIDTA margin increased from 50 percent in 2008-09 to 52 percent in 2009-10
- PAT increased 20 percent from ₹38.14 crores in 2008-09 to ₹45.55 crores in 2009-10

- Increased moulds portfolio to more than 150
- Received GMP certification
- Completed capacity expansion for all the products

- Selected among Asia's 200 Best Under A Billion companies by *Forbes* magazine
- Rating upgraded from "A+/STABLE/P1" to "AA-/STABLE/P1+" by CRISIL.

The big picture

“We are driven by the vision to implement growth initiatives with speed and surety leading to growth in revenues and in the profits.”

Amitabh Parekh, *Managing Director*, explains the corporate strategy

I am pleased to state that Parekh Aluminex, our Company, reported record revenues and profits during 2009-10, the ₹455.22 million-straight increase in annual profits since 1994-95.

It would be relevant to bring to the attention of our shareholders that the percentage increase in our profit after tax (60 percent) was higher than our revenues (52 percent), which translated into an increase in our EBIDTA margins from 17.25 percent in 2008-09 to 17.43 percent in 2009-10.

These numbers indicate that the Company enhanced its profitability even as it grew its scale. This double-play – growth in volume and value – is not an accident; it is the result of a conscious attempt by our Company to strengthen its competitiveness in a challenging business.

Right time, right place

It would be pertinent to indicate that Parekh Aluminex is placed at the right place at the right time.

Right time: There is a growing

awareness of the advantages of aluminium foil packaging over the conventional alternatives of plastic and paper. There is a consensus building against the use of plastic in food packaging for reasons of hygiene and cost; besides, paper or board does not retain heat as well, transmits oil blobs that could stain clothes and is not considered rigid enough to facilitate convenient eating. Aluminium foil represents a superior packaging alternative: cleaner, cheaper, sturdier and recyclable.

Right place: India is passing through a lifestyle revolution. The number of young earners is rising. The concept of women working is established. The incidence of food storage and once-a-day cooking is growing. The number of young home owners is increasing. The cost of commercial labour to wash plates and reuse them is rising. There is a stronger receptivity for 'use and throw'. All these realities are catalyzing the need for aluminum foil packaging and containers in everyday living in a bigger way than before.

Right initiatives

Parekh Aluminex Limited has invested proactively in its business model with the object to widen the gap between its leadership industry position and intended entrants. The Company has done so through the following initiatives:

Capacity expansion: In a business where all raw material cost increases are a pass through to the end customer, the only way we can enhance our profitability is through economies arising out enhanced scale on the one hand and a reduction in overhead cum interest costs on the other. This is precisely what we have attempted in the last two years. We invested ₹240 cr in our installed capacity in 2009-10, which has the potential to raise our turnover in excess of ₹1,000 cr in a full year's working (the full impact of which has started to reflect from April 2010). Our sense of urgency is reflected in our decision to embark on yet another capacity expansion of ₹350-400 cr, which will be fully complete in March 2012 and possess the potential to raise our consolidated turnover to ₹1500 cr in a full year's working. We are optimistic that this growth in scale will enable us to provide material on demand to service the growing needs of

our customers, provide enough material with which to innovate downstream applications in a relatively under-penetrated country and also enable us to cover our fixed costs more effectively. As a result, we see these capacity expansions as not merely necessary for our growth but critical to our need to strengthen our profitability and reinforce our competitive business advantage.

Product applications: In a country where eating habits vary across terrains, there is a diverse need for aluminium foil rolls and containers. As a future-focused organisation, it will be our objective to identify spaces where a transition can be made from conventional material to aluminium foil for enhanced economy and convenience. We are well placed in this regard: we possess relatively a low mould development time, which represents an attractive lead time over new industry entrants.

Retail entry: The four segments identified for growing our business are institutional (railways and airlines), wholesale (catering to restaurants and hotels), export and retail. Presently, Parekh Aluminex is present significantly in all segments except retail. It is necessary to grow our presence in this

last segment for an important reason: while we are servicing the growing need of commercial users for aluminium foil containers, there is a growing domestic need for this material (to store home cooked food) that is not being addressed. Going ahead, we expect to brand aluminium foil containers and enhance their off-the-shelf availability, reaching right down to servicing kitchen demand across the country. This business extension will achieve the following things for our business: evolve us from a generic manufacturer into a branded producer, extend our reach to domestic consumers, enhance our value-addition and grow the proportion of this value-added business segment.

Vision

We are driven by the vision to implement these initiatives with speed and surety leading to higher revenues. Correspondingly, we expect that these initiatives will enhance our profits, dividend and discounting resulting in attractive value in the hands of those who invested in our Company.

With optimism,

Amitabh Parekh,
Managing Director



Flight kitchens.
Pav bhaji stalls. Pizza
counters. Food chains.
Catering companies.
Bakers. Confectioners.
Parekh Aluminex
products meet their
aluminium packaging
requirements.

Parekh Aluminex offers aluminium foil containers, aluminium foil rolls and aluminium foil lids. The Company has created the country's largest mould bank (more than 150) enabling it to offer various products. The result largest domestic market share and one of the largest companies of its kind in Asia.



Industrialists.
IT professionals.
Courier agents.
Traders.
Dabbawallas.
Parekh Aluminex
products are
affordable for all.

Parekh Aluminex is the largest manufacturer of aluminium foil containers, rolls and lids in India. The Company possesses container manufacturing capacity 4,000 mn pieces per annum, rolls manufacturing capacity of 75 mn pieces per annum and lid manufacturing capacity of 1,200 mn pieces per annum. This has translated into attractive economies of scale resulting in cost-effectiveness for diverse applications.



Siliguri. Rajkot.
New Jersey.
Jhumritalaiya. Dhaka.
Dubai. Vienna.
Sriperumbudur.
Dublin.
Parekh Aluminex
products are
everywhere.

Parekh Aluminex enjoys a presence in more than 15 Indian states and more than 30 countries. Due to the following factors: low production cost, timely product delivery, wide product range and superior quality. As a result, 15.35 percent of the Company's revenues were derived from exports in 2009-10.



Mothers. Wives.
Chefs. Caterers.
Nutritionists.
Parekh Aluminex
products are trusted
by all.

The Company's products are largely used in the critical area of food packaging. The Company has significantly and consistently invested in quality conducting multi-level quality checks covering incoming raw material, in-process quality and finished goods. The Company received quality certifications like ISO 9001-2000, ISO 22000-2005, HACCP and GMP certification among others. The result: 100 percent of the Company's institutional revenues were derived as repeat business from longstanding clients.

Our strengths

Leadership

The Company is the largest organised manufacturer of aluminium foil rolls and containers in India

Safe

The Company creates food packaging options made with aluminium foil, which is more hygienic than competing alternatives as well as cheaper and easily recyclable

Scale

The Company is one of the largest manufacturers of aluminium foil rolls and containers in Asia

Clientele

The Company's clientele comprises reputed names like Indian Railways, Kingfisher Airlines, Indian Airlines, Air India, Indian Railways Catering and Tourism Corporation and Taj Air Carteres, B.E.International, Danone Group, SOP International, Emirates Airlines, Singapore Airlines, Thai Airways, Gulf Air, Etihad Airways, Air Asthana and Srilankan Airlines among others.

Product mix

The strength of the Company's product mix is reflected in its vast bank of more than 150 moulds, an effective hedge over intending industry entrants

Economy

The products manufactured by the Company are exempted from excise, resulting in the economic pricing over competing alternatives

Benefits

The Company's manufacturing location attracts a sales tax benefit for 15 years

Verticals

The Company addresses customers across the following verticals – railways, airlines, fast food chains, restaurants, hotels and bakeries.

Experience

The promoters of the Company have over 16 years of experience in the same line of business and the experienced and qualified management team ensures better operational efficiency

First mover advantage

The Company has the advantage of the first mover in the market space it operates with the largest market share in the organised sector in India.

Industry overview

Industry growth drivers

Railways: Nearly 17,000 trains run every day, carrying 18 million passengers over 64,015 route-kms. The Annual Plan outlay for 2010-11 was proposed at ₹41,426 crore, the highest-ever Plan investment. A target of 1,000 kms of new lines was set for 2010-11, likely to increase the number of travelling passengers. Some 52 new long distance trains are likely to be introduced in 2010-11 with an allocation of ₹1,302 crore (₹923 crore in 2009-10) for enhanced passenger amenities. Indian railways (64,015 route kilometers) aims to add 25,000 route kilometers by 2020 (Source: Railway Budget, 2010-11). This is likely to translate into an increased consumption of aluminium foil containers and lids.

Airports: India's air services are available from 126 airports (11 international, 89 domestic airports and 26 civil enclaves in Defense airfields). A Crisil report estimates investments of ₹290 billion between 2009-10 and 2013-14 in the country's airport infrastructure. Investment opportunities of US\$110 billion are

envisaged up to 2020 with US\$80 billion in new aircraft and US\$30 billion in the development of airport infrastructure. Additional capacities of about 296.95 lakh international and 1035.74 lakh domestic passengers will be created at 45 major airports by 2011-12, as the total international passengers and domestic passengers are projected to increase to 539.39 lakh and 1489.70 lakh respectively (Source: Ministry of Civil aviation, Economic survey, CRISIL, infrastructure.gov.in). This is likely to translate into an increased consumption of aluminium foil containers and rolls.

Food processing industry: The highest demand for packaging is derived from the food processing industry (50 percent) and from the pharmaceutical industry (25 percent). The Indian food market is estimated at about ₹8,82,350 crore according to the 'India Food Report 2008' published by Research and Markets. Food retail turnover is expected to grow from ₹3,39,365 crore in 2009-10 to ₹7,27,212 crore by 2025, enhancing demand for aluminium packaging solutions. This is likely to translate into an increased consumption of



Containers: Why aluminium?

Aluminium foil containers and lids are replacing packaging alternatives like plastic, porcelain and glass on account of the following superior properties:

- Hygienic and non-toxic
- Preservation of taste, color, texture, nutrition and functions
- Increased shelf life through the barring of oxygen, light, moisture, bacteria and odour
- Derived from aluminium foils with thicknesses starting from 40 microns
- 100 percent recyclable
- Keeps food warm and fresh
- Protects against contamination and pollution
- Delivers enhanced consumer convenience
- Light and easy to carry
- Possesses high thermal and electrical conductivity
- Non-absorbent and opaque
- Environment friendly and easily disposable
- Aesthetic and attractive

aluminium foil containers its lids and foil rolls.

Growing urbanisation: Urban India accounts for 30 percent of its population and 52 percent of GDP. According to McKinsey, urban India will account for two-thirds of the incremental consumption, driven by population and urbanisation growth. India's urban population grew from 290 million (2001 census) to 340 million in 2008 and a projected 590 million by 2030. This is likely to translate into an increased consumption of aluminium foil containers and its lids and rolls.

Working population: As of 2009, India's total working age population (age 15 to 64) is around 765 million or about 17 percent of the world's working age population. The UN Population Division estimates that over the next 10 years, India's working age population is set to grow by a cumulative 138

million, significantly higher than the expected increase of 33 million in China. This compares with an increase of 12 million in the US and a decline of 8 million in Japan and 18 million in Europe. Also there is an increase in the working women population leading to an increase in the proportion of takeaway food. This is likely to translate into an increased consumption of aluminium foil containers its lids and rolls.

Changing food habits:

Changing lifestyles and lower time in kitchens are resulting in the incidence of eating out of home in restaurants and fast food outlets. In turn, this is catalyzing the growth of the country's packaging industry. The Indian fast food industry is expected to grow at a CAGR of 30-35 percent during 2010-2013, which is likely to translate into increased downstream foil packaging applications.

Business drivers

Operations

Overview

In the business of aluminium foil container manufacture, competitive advantage is derived from the ability to run facilities at a high utilisation, diversify into varied products and minimise scrap generation.

The Company reported an asset utilisation of 1.3 times in 2009-10. The Company manufactured aluminum foil containers (AFC), aluminium foil rolls (AFR) and lids – all used for the hygienic packaging of food articles. The manufacturing facilities are automated and with least human intervention, addressing the hygiene norms required of European nations.

The Company's bank of more than 150 single and multi-cavity moulds enables it to manufacture a range of products used in food and non-food grade applications (ash trays, bathing pans for new borns and medicine dispensers, among others). The Company built country-specific mould facilities catering to niche requirements.

Name of the product	Applications
Aluminium foil containers	Used for packing and serving eatables in the hospitality and travel industry
Aluminium lids	Used as lids/covers in aluminium foil containers
Aluminium foil rolls	Used in packing carry-along food items like rotis, poories and sandwiches

(Million pieces per annum)

Facility	2008-09	2009-10
Aluminium foil container (AFC –casseroles / trays and containers / dishes)	2,350	4,000
Aluminum foil rolls (AFR)	50	75
Aluminum lids	885	1,200

The Company's three manufacturing facilities at Dadra and Nagar Haveli provide a cost advantage in the form of subsidised per unit power costs of ₹3 – 3.2 (compared with ₹6-7 per unit in neighboring Gujarat and Maharashtra) and easily available contract labour. Both facilities enjoy a 15 year tax exemption resulting in competitive manufacture.

Highlights, 2009-10

- Increased production capacity of aluminium foil containers from 2,350 mn pieces in 2008-09 to 4,000 mn pieces
- Increased aluminium foil rolls capacity from 50 mn pieces in 2008-09 to 75 mn pieces
- Increased aluminium foil lids capacity from 885 mn pieces in 2008-09 to 1,200 mn pieces
- Introduced more than 150 mould varieties

Road ahead

Going ahead, the Company plans to enhance the utilisation of the expanded capacity and improve operational efficiency and continue on the path of future expansion.



Overview

In the business of aluminium foil container manufacture, business growth is achieved through a high product quality, which leads to prominent client accretion, in turn, stable revenues and the need for capacity reinvestment, starting a virtuous business cycle.

The Company's quality management team comprised 12 members with five members responsible for research and development. The Company's prudent quality management procedure extended from raw material procurement (microns, alloys elongation of rolls) to production (product defects).

The Company invested in cutting-edge quality measurement tools like the specialised micrometer, UTS and elongation machine (for checking tensile strength), bursting strength machine (for managing packaging material quality) and precision weighing machine (for checking grammage), among others.

The R&D initiatives were a part of continuous process improvement. The Company maintained standardised world-class processes; it possesses a number of quality certificates as a testimony of its procedures and processes (ISO 9001:2000, ISO 22000:2005, GMP certification and HACCP certification).

Highlights, 2009-10

- Reduced scrap rate
- Invested ₹590.58 million in new equipment
- Received GMP certification

Road ahead

The Company expects to receive the BRC-IOP certification before the end of this calendar year focus on all-round quality improvement and reduce its rejection rate.



Overview

In the business of aluminium container manufacture, it is imperative to market products and emerging applications with the objective to capitalise on growing consumer interest.

Parekh Aluminex leveraged the availability of the largest captive mould bank (more than 150) in the country covering a variety of applications. The result: the Company derived around 15 percent of its revenues from the international market and the rest from the domestic market in 2009-10. Within India, the Company supplied products to wholesalers, airlines and Indian Railways. It also marketed products to bakeries, retail outlets and food catering companies, among others. The Company's client base comprised Jet Airways, Air India, Kingfisher, IRCTC and Taj Air Caterers, among others, in the domestic market. International clients included B.E. International, U K (Danone Group) and SOP International as well as major airlines like Emirates Airlines, Singapore Airlines, Thai Airways, Gulf Air, Etihad Airways, Air Asthana and Srilankan Airlines, among others.

In view of the not so high penetration of aluminium packaging products in India, the Company expects to enhance penetration by keeping prices competitive and delivering utmost quality products.

Highlights, 2009-10

- Entered four new countries
- Maintained leadership in domestic market share
- Executed orders for new domestic and international airlines
- Introduced 35 products in the international market
- Participated in international trade fairs in Dubai, Chicago and Germany to promote its products

Road ahead

- The Company plans to extend to India's retail market.
- The Company earmarked a significant amount for branding and advertisements in 2011-12.
- The Company expects to capitalise on the introduction of new passenger trains in India.

Parekh Aluminex's international competitive advantage

Price: Low labour cost, uninterrupted supply of power and abundant raw material availability leading to a competitive price-value proposition

Mould bank: Large bank of more than 150 moulds enables the Company to offer a range of products adapted to the food habits of different countries

Reliability: Efficient manufacturing process enables the Company to provide products as and when required, enhancing reliability

Quality: Quality certifications like ISO 9001, ISO 22000, HACCP, GMP and other necessary certificates enables the Company to market products in various countries

Financial analysis

Accounting policy

The financial statements were prepared on a historical cost convention basis in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. The Company followed the mercantile system of accounting.

Performance scoreboard for 2009-10

Particulars	2008-09	2009-10	Percent change
Total income (₹mn)	4,223.26	6,357.27	50.53
EBIDTA (₹mn)	726.86	1,105.06	52.03
PAT (₹mn)	381.40	455.51	19.43
EPS (₹)	29.48	35.20	19.40

Revenue (net sales) analysis

The Company's revenues (excluding other income) grew 50.54 percent from ₹4,212.60 million in 2008-09 to ₹6,341.56 million in 2009-10 owing to an increase in sales volume due to expanded capacity, entering newer geographies and increased realisations.

Revenue by geography: Domestic sales increased 67.16 percent from ₹3,210.94 million to ₹5,367.37 million in 2009-10 owing to an increase in demand from the domestic market; exports decreased 2.74 percent from ₹1,001.66 million in 2008-09 to ₹974.19 million in 2009-10. The US was the largest contributor to exports, accounting for 48.28 percent of the total exports.

	Revenue 2009-10 (₹million)	Percent contribution to net sales
India	5367.37	84.64
UK/Europe	375.77	5.92
USA	470.38	7.42
Others	128.04	2.02

Cost analysis

The total cost (excluding depreciation, interest and finance charges) of the Company increased 50.22 percent from ₹3,496.40 million in 2008-09 to ₹5,252.21 million in 2009-10 following increased sales.

Break-up of costs (percent of total expenses)

Cost component	2009-10	2008-09
Raw material cost	90.63	90.96
Manufacturing expenses	5.86	5.86
Employee costs	0.61	0.58
Selling and distribution expenses	0.53	0.52
Administrative and other expenses	2.37	2.08

Raw materials: Raw materials cost increased 49.67 percent from ₹3,180.31 million in 2008-09 to ₹4,759.88 million in 2009-10 owing to the increase in production. This major cost element comprised 90.63 percent of the total expenses.

Manufacturing expenses: Manufacturing expenses (including store and spares, power and fuel, rent and other expenses) increased 50.12 percent from ₹205.04 million in 2008-09 to ₹307.80 million in 2009-10. Power and fuel costs increased 47.36 percent from ₹13.05 million in 2008-09 to ₹19.23 million in 2009-10. Per unit power cost was ₹3.15 in 2009-10 against ₹3.45 in 2008-09.

Employee: Employee costs (salaries, bonus and other employee welfare) increased 57.94 percent from ₹20.35 million in 2008-09 to ₹32.14 million in 2009-10 owing to wage increments and workforce increase.

Selling and distribution: Selling and distribution expenses

increased 55.03 percent from ₹18.08 million in 2008-09 to ₹28.03 million in 2009-10 due to increase in sales promotion expenses.

Administrative and other expenses: Administrative expenses increased 71.25 percent from ₹72.62 million in 2008-09 to ₹124.36 million in 2009-10 largely owing to an increase in conveyance, travelling and other expenses.

Margins

EBIDTA increased 52.03 percent from ₹726.86 million in 2008-09 to ₹1,105.06 million in 2009-10. EBIDTA margin increased 17 basis points to 17.38 percent in 2009-10 (17.21 percent in 2008-09), a reflection of superior cost management. Post-tax profit margin declined 186 basis points from 9.03 percent in 2008-09 to 7.17 percent in 2009-10.

Capital employed

The capital employed in the business increased 50.61 percent from ₹4,755.01 million in 2008-09 to ₹7,161.38 million in 2009-10. For the expansion plan, ₹2,400 million was financed through the raised funds internal accrual and debt. The Company's return on average capital employed (ROCE) was 14.31 percent as on 31st March 2010 (previous year 14.56 percent). ROCE is expected to improve once the expanded capacity is fully utilised.

Capital employed

Segment	2009-10		2008-09		Growth (percent)
	Amount (₹million)	percent of total	Amount (₹million)	percent of total	
Own funds					
Equity share capital	129.40	1.81	129.40	2.72	-
Reserves and surplus	2,934.02	40.97	2,525.59	53.11	16.17
External funds					
Secured loans	2,695.29	37.64	1,279.81	26.91	110.60
Unsecured loans	1,364.11	19.05	806.51	16.96	69.14
Deferred tax liability	38.56	0.54	13.70	0.29	181.46
Capital employed in the business	7,161.38	100	4,755.01	100	50.61



Own funds: Own funds comprised share capital, reserves and surplus. They increased 15.38 percent from ₹2,654.99 million to ₹3,063.42 million in 2009-10. During the year under review, the equity capital remained unchanged. The Company's equity share capital comprised 129,40,000 equity shares (face value ₹10 each). The promoter's holding was 33.91 percent as on 31st March, 2010 as against 28.96 percent as on 31st March, 2009. Reserves and surplus increased 16.17 percent from ₹2,525.59 million in 2008-09 to ₹2,934.02 million in 2009-10 following profit re-investments. Return on average net worth increased 58 basis points from 15.35 percent in 2008-09 to 15.93 percent in 2009-10.

External funds: The Company's reliance on external funds increased significantly by 94.57 percent from ₹2,086.32 million in 2008-09 to ₹4,059.40 million in 2009-10. Secured loan increased 110.60 percent from ₹1,279.81 million in 2008-09 to ₹2,695.29 million in 2009-10 owing to increase in cash credit and term loans. Unsecured loans from the Directors increased 69.14 percent to ₹1,364.11 million as on 31st March 2010 (previous year ₹806.51 million). The Company's debt-equity ratio increased to 1.33 in 2009-10 (previous year 0.79) owing to an increase in debt. The average cost of funds was 8.72 percent in 2009-10 against 9.65 percent in 2008-09.

Interest cost: Interest cost increased 90.69 percent from ₹140.53 million in 2008-09 to ₹267.97 million in 2009-10 owing to an increase in debt mobilised to fund the expansion. Interest cover was 4.12x as on 31st March 2010 (previous year 5.17x)

Gross block

The Company's gross block increased 51.68 percent from ₹1,450.75 million in 2008-09 to ₹2,200.57 million in 2009-10 following the investment in new assets.

Depreciation: The Company provided depreciation on fixed assets on written down value method at the rates and in the manner as prescribed in Schedule XVI of the Companies Act, 1956. The Company's depreciation increased from ₹151.43 million to ₹251.72 million in 2009-10. The accumulated depreciation was 30.50 percent of the gross block, representing the newness of assets. Return on net block stood at 66.65 percent as on 31st March, 2010 as against 70.56 percent on 31st March 2009.

Working capital

The Company's business is working-capital intensive. Working capital increased 25.88 percent from ₹1,789.91 million in 2008-09 to ₹2,253.13 million in 2009-10. Working capital, as a proportion of capital employed, stood at 31.46 percent as on 31st March 2010 against 37.64 percent on 31st March 2009, reflecting efficient working capital management. The current ratio improved from 4.31 in 2008-09 to 3.48 in 2009-10 while the quick ratio of the Company improved to 2.28 in 2009-10 as against 2.70 in 2008-09.

Inventory: Inventory increased 26.14 percent from ₹868.26 million in 2008-09 to ₹1,095.25 million in 2009-10 and accounted for 48.61 percent of working capital in 2009-10. The inventory cycle declined from 61 days in 2008-09 to 56 days in 2009-10 owing to improved inventory management

Sundry debtors: Debtors increased 45.29 percent from ₹886.37 million in 2008-09 to ₹1,287.81 million in 2009-10. Sundry debtors accounted for 57.16 percent of the working capital outlay in 2009-10. The average debtors' cycle reduced to 62 days in 2009-10 (previous year 67 days) owing to regular follow-up and stronger terms of trade arising from the Company's stronger brand. None of the debtors were outstanding for more than six months.

Cash and bank balance: Cash and bank balance increased 44.32 percent from ₹276.61 million in 2008-09 to ₹399.20 million in 2009-10.

Loans and advances: Loans and advances increased 26.46 percent from ₹299.36 million in 2008-09 to ₹378.58 million in 2009-10.

Current liabilities and provisions: Current liabilities and provisions increased 67.88 percent from ₹540.69 million in 2008-09 to ₹907.71 million in 2009-10.

Taxation

Provision for tax increased from ₹53.50 million in 2008-09 to ₹129.86 in 2009-10 owing to increased profit before tax. The Company's manufacturing location attracted sales tax benefits for 15 years (six years left). The Company's products are exempted under certain notifications and subsequent to it, EOU duties are payable but at concessional rates, resulting in a cost benefit.

Corporate information

Board of Directors

Mr. Amitabh Parekh : *Chairman & Managing Director*

Mr. Rajendra Gothi : *Executive Director*

Mr. Kiran C. Parikh : *Director*

Mr. Devanshu Desai : *Director*

Mr. Vikram Mordani : *Director*

Audit Committee

Mr. Vikram Mordani : *Chairman*

Mr. Devanshu Desai : *Member*

Mr. Kiran C. Parikh : *Member*

Shareholders' / Investors' Grievance Committee

Mr. Rajendra Gothi : *Chairman*

Mr. Kiran C. Parikh : *Member*

Mr. Amitabh Parekh : *Member*

Registered Office

601, Auto Commerce House,
Kennedy Bridge, Nana Chowk,
Mumbai-400 007, INDIA

Administrative Office

G-11, Everest Building, 8th floor,
Tardeo, Mumbai Central,
Mumbai-400 034, INDIA
Tel. # 0091-22-40844777
Fax # 0091-22-23523777 / 23524777
E-mail: contact@parekhaluminex.com
Website: www.parekhaluminex.com

Bankers

Indian Overseas Bank
Export-Import Bank of India
Punjab National Bank
State Bank of India
Union Bank of India

Auditors

M/s. C.V. Pabari & Co.
Chartered Accountants
A-206, Winsway Complex, Old Police Lane, Andheri (E),
Mumbai-400 069, INDIA

Manufacturing Units:

- Survey No.204/1/2, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA
- Survey No.207, Plot No.4, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA
- Survey No.208, Unit No. 8, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA

Registrar & Share Transfer Agent

TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai-400011
Tel. No. 00 91-22-66568484
Fax No. 00 91-22-66568494
Website: www.tsrdarashaw.com

Notice

NOTICE is hereby given that the **16th Annual General Meeting** of the members of **Parekh Aluminex Limited** will be held at Malabar Hill Club Ltd., B. G. Kher Marg, Mumbai - 400 006 on **Thursday, 30th September, 2010 at 4.00 P.M.** to transact, inter-alia, the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended 31st March, 2010 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a director in place of Mr. Devanshu Desai, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Rajendra Gothi, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint M/s. C. V. Pabari & Co., Chartered Accountants, retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT Mr. Vikram Mordani, who was appointed by Board of Directors as an additional director designated as non executive director of the Company with effect from 29th March, 2010 and who holds office only up to the date of this Annual General Meeting of the Company in terms of section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a Member under section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company."

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

"RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any,

of the Companies Act, 1956, the Company hereby accords its consent for confirmation of appointment of Mr. Rajendra Gothi, appointed as Executive Director by the Board on 1st October, 2009 and to the payment of remuneration of ₹10,00,000/- per annum as prescribed under schedule XIII of the Companies Act, 1956, particularly set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to alter and vary such terms and conditions including remuneration so as not to exceed the overall limits specified in the act and any other applicable laws and part II i.e. in case of inadequacy of profit of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to by the Board of Directors and Mr. Rajendra Gothi during the aforesaid period."

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and subject to provisions of the listing agreement entered into by the Company with the Exchanges where the Company's shares are listed and subject to any other necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance, and/or any other appropriate authorities, including Banks, Financial Institutions or other creditors; subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), as amended and all applicable regulations framed and notifications issued thereunder; Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including the guidelines for Qualified Institutions Placement prescribed in Chapter VIII thereof; subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or by duly authorised persons thereof for the time being exercising the powers conferred on the Board by this resolution, consent and approval of the members of the

Company be and is hereby accorded to create, issue, offer and allot, in the course of one or more domestic offering(s) and / or in the course of an international offering to eligible investors including foreign, resident (whether institutions, incorporated bodies, banks, Insurance companies, mutual funds and / or individuals or otherwise) Qualified Institutional Buyers, Foreign Institutional Investors, Indian and / or multilateral Financial Institutions, Non Resident Indians, or such investors whether they are members of the Company or not, by way of circulation of an offering circular or prospectus or by way of private placement, Qualified Institutional Placements (QIPs) / Foreign Currency Convertible Bonds (FCCBs) / Global Depositary Receipts (GDRs) / American Depositary Receipts (ADRs) (hereinafter referred to as "Securities"), in the aggregate principal amount not exceeding ₹5000 Million (Indian Rupees Five Thousand Million only) or equivalent amount in India or any other currency as the case may be, in one or more tranches to be subscribed in Indian / foreign currency, which, at the option of the holders of the securities may be converted into equity shares of the Company, and that such issue and allotment be made in one or more tranches, on such terms and conditions as may be decided and deemed appropriate by the Board and/or by the authorised persons of the Board at the time of issue and allotment.

RESOLVED FURTHER THAT the pricing of the securities shall be in compliance with the applicable laws, guidelines and regulations and, further, that securities that may be issued pursuant to a QIP shall be in accordance with the applicable SEBI guidelines / regulations which presently provide for a price not less than the average of the weekly high and low of the closing price of the related securities quoted on the Exchanges during the two weeks preceding the "relevant date".

RESOLVED FURTHER THAT the "relevant date" means the date of the meeting in which the Board decides to open the proposed issue or as may be determined in accordance with applicable laws, rules, regulations, guidelines and approvals.

RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have all or any terms or combination of terms in accordance with international practices including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such terms as are provided in issue of securities of this nature internationally including

terms for issue of equity shares upon conversion of the securities or variation of the conversion price of the securities during the term of the securities and the Company is also entitled to enter into and execute all such arrangements/agreements as the case may be with any Merchant Bankers, Lead Managers, Managers, Underwriters, Custodians, Advisors, Depositories and all such agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including the payment of commissions, brokerage, fees, etc. and also to seek the listing of any or all of such securities or securities representing the same in one or more stock exchange(s) outside India.

RESOLVED FURTHER THAT the securities issued in foreign markets shall be deemed to have been made abroad and/or in the international market and/or at the place of issue of the securities in the international market and may be governed by foreign laws, as applicable.

RESOLVED FURTHER THAT the Company may enter into any arrangement with any agency or body authorised by the Company for the issue, upon conversion of the securities, of equity shares of the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international practices and regulations and under the forms and practices prevalent in the international markets.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such equity shares shall rank pari passu with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of securities or securities representing the same or equity shares, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at their discretion deem necessary or desirable for such purpose, including without limitation the utilization of issue proceeds, entering into of underwriting and marketing arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

9. To consider, and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT, pursuant to section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the provisions of the Memorandum of Association and Articles of Association of the Company and in suppression of earlier resolutions passed by the members at the annual general meeting of the Company held on 30th September, 2009, the consent of the Company be and is hereby accorded to the Board of Directors (herein after referred to as the ‘Board’ which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board of Directors by this resolution) of the Company to continue to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of the business of the Company, with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that the monies so borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that the total amount so borrowed (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) shall not at any time, exceed the limit of ₹20,000 million (Rupees Twenty Thousand Million)

FURTHER RESOLVED THAT the Board of Directors of the Company be and hereby authorised to approve, finalise, modify, settle and execute such documents / deeds / writings / papers / agreements as may be required or considered necessary by the Board and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary,

proper or desirable and to settle any question or difficulty that may arise in respect of the borrowing(s) aforesaid; and further, to execute all deeds, documents and writings and take all such other steps as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any part of the immovable and/or movable properties/assets of the Company wherever situated, both present and future, to or in favour of any Bank(s), Financial Institution(s), Company(ies) or other Organization(s) or Institution(s) or Trustee(s) (hereinafter referred to as the ‘Lending Agencies’) in order to secure the loans (excluding temporary loans obtained from the Company’s Bankers in the ordinary course of business) advanced / to be advanced by such lending agencies to the Company together with interest at the respective agreed rates, compound / additional interest, commitment charges, premium on pre-payment on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.

FURTHER RESOLVED THAT the Board of Directors of the Company be and hereby authorised to do all such acts, deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgages and / or charges as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to above resolution.”

By Order of the Board
For **PAREKH ALUMINEX LIMITED**

Amitabh Parekh
Chairman & Managing Director

Registered Office:

601, Auto Commerce House,
Kennedy Bridge, Nana Chowk,
Mumbai-400 007, INDIA

Mumbai, 28th July, 2010

NOTES:

- a) The relative Explanatory Statement as required by Section 173 of the Companies Act, 1956, in regard to the Special Business entered under items 6 to 10 is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of members and the Share Transfer Books of the Company will remain closed from 23rd September, 2010 to 30th September, 2010 (both days inclusive).
- d) Payment of dividend on equity shares, as declared at the meeting, will be made to those members whose names appear on the Company’ Register of Members as on 22nd September, 2010. Members are requested to notify immediately any change in their address.
- e) Pursuant to the provisions of Section 205A (5) read with Section 205C of the Companies Act, 1956 the amount of dividends for the Financial Year ended 31st March, 2010 and thereafter which remain unpaid and unclaimed for a period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund established by the Central Government and no claim shall lie against the said Fund or the Company for the amounts of dividend so transferred to the said Fund. Shareholders, who have not yet encashed their dividend warrants are therefore requested to make their claim to the Company without delay.
- f) Consequent to introduction of Section 109A of the Companies Act, 1956, members are entitled to make Nomination in respect of equity shares held by them in physical form. Members desirous of making nomination are requested to submit the Nomination Form (2B) enclosed with this Notice as per instructions mentioned therein.
- g) Company’s shares have compulsorily gone in for dematerialisation since March, 2001. Hence, those members who want to opt for dematerialisation are requested to follow the procedure prescribed in this respect.
- h) Members holding shares in electronic form may please note

that their bank account details as furnished by the respective Depositories to the Company will be printed on dividend warrant / cheque / DD as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion of / change in such bank account details.

- i) Members who desire to get dividend being directly credited to their bank account are requested to submit Mandate Form (please use form enclosed herewith for this purpose) duly filled-in together with supporting documents to the Registrar & Share Transfer Agents.
- j) Members are requested to bring their Admission slips along with copy of the Report and Accounts to the Annual General Meeting.
- k) Members, who wish to obtain any information on the Company or view the accounts for the Financial year ended 31st March, 2010 send their queries at least 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.
- l) The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:

1. Re-appointment of Directors

At the ensuing Annual General Meeting, Mr. Devanshu Desai, Mr. Rajendra Gothi retire by rotation and Mr. Vikram Mordani, confirmation of appointment of Director appointed by Board of Directors being eligible, offer themselves for re-appointment. Pursuant to Clause 49 of the Listing Agreement, the particulars of the aforesaid directors are given below.

Particulars of Director seeking re-election:

a) Name of the Director	: Mr. Devanshu Desai
Date of Birth	: 26-02-1963
Ed. Qualification	: B.Com., L.L.B.
Other Directorship	: 1. Bombay Swadeshi Store Ltd. 2. First Overseas Capital Ltd.
Member of the Committee	: Audit Committee - Member

Mr. Devanshu Desai is an Advocate and having experience of more than 25 years . He has strong background of legal and strategic planning. His expertise knowledge of legal and

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

awareness of the planning is valuable to the company. His guidance on these matters helps the company. It is, therefore, in the interest of the Company to avail his services as a member of the board.

None of the directors of the Company except Mr. Devanshu Desai may be considered to be concerned or interested in the said resolution.

b) Name of the Director	: Mr. Rajendra Gothi
Date of Birth	: 08-06-1961
Ed. Qualification	: B.Com
Other Directorship	: 1. AAP Racing & Stud Farms Ltd. 2. Deepen Holding Ltd. 3. AAP Securities Ltd. 4. Arsenal Bulls Celebrations Ltd. 5. AAP Equity Capital Ltd
Member of the Committee	: Investor Grievance Committee - Chairman Share Transfer Committee - Chairman

* Other Directorship does not include Private Company.

Mr. Rajendra Gothi is a businessman with more than 28 years experience. He has been associated with the Company since 1995. His leadership experience and marketing knowledge and guidance with respect to business growth and expansion has significantly helped the Company since inception, on overview of his responsibility Board of Directors have appointed him as the Executive Director to reach on

higher scale of performance. His induction in the board has enabled the Company to take sound financial and business decisions. It is, therefore, in the interest of the Company to avail his services as a Executive member of the board.

None of the directors of the Company except Mr. Rajendra Gothi may be considered to be concerned or interested in the said resolution.

c) Name of the Director	: Mr. Vikram Mordani
Date of Birth	: 29-03-1974
Ed. Qualification	: B. E. Computer Science, MBA in Finance
Other Directorship	: 1. Proton Construction Ltd.
Member of the Committee	: 1. Audit Committee - Chairman

* Other Directorship does not include Private Company.

Mr. Vikram Mordani is a B.E. in Computer Science & MBA specialised in Finance. He is having professional expertise in setting up manufacturing unit. He has professional experience of more than 12 years. He is an expert on setting up the systems and also has command over finance.

It is, therefore, in the interest of the Company to avail his services as a member of the board.

None of the directors of the Company except Mr. Vikram Mordani may be considered to be concerned or interested in the said resolution.

ITEM NO. 6

The Board of Directors of the Company, at its meeting held on 29th March, 2010 appointed Mr. Vikram Mordani, as the Non-Executive Director of the Company, Mr. Vikram Mordani is a B.E. in Computer Science & MBA specialised in Finance. He has professional experience of more than 12 years in manufacturing and setting up systems.

Considering his knowledge, experience and leadership quality, it will be beneficial for the Company to retain his professional & advisory services as an Independent Director and to take his overall guidance for the growth of the Company. The directors, therefore, recommend to confirm his appointment and to adopt the proposed resolution.

None of the directors of the Company except Mr. Vikram Mordani may be considered to be concerned or interested in the said resolution.

ITEM NO. 7

Mr. Rajendra Gothi, Director of the Company designated as Executive Director on 1st October, 2009 by the Board of Directors. He is looking after the marketing activity of the Company, under his guidance and quality of doing business since long the board designated him as a whole time Director on a remuneration of ₹10,00,000/- per annum under schedule XIII of the Companies Act, 1956. His expert knowledge will be beneficial for the Company to retain him as an Executive Director, wherein his overall guidance will be advantageous and profitable for the company in his core area. The directors, therefore, recommend to confirm his appointment and to adopt the proposed resolution.

None of the directors of the Company except Mr. Rajendra Gothi may be considered to be concerned or interested in the said resolution.

ITEM NO. 8

Your Company is on a growth path. It has been planned to go for a major expansion. The same needs to be raised through a mixture of Equity, Internal Accruals and Debts.

It has been estimated that Company could raise up to ₹5000 million. The funds would be raised by issuing further equity shares at appropriate prices to the investors via stock exchange route as per the latest guidelines issued by SEBI under Chapter

VIII (Issue of Capital and Disclosure Requirements) Regulations, 2009).

Your Directors seek your permission to raise the requisite fund and utilise them for business activities. Authority to the Board for further modifications, if necessary, in the above, in the best interest of the Company is also sought by the said resolution.

None of the directors of the Company are concerned or interested in the said resolution.

ITEM NO. 9 & 10

Under Section 293(1)(d) of the Companies Act, 1956 (the 'Act'), the Board of Directors of the Company cannot, except with the consent of the Company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose. At the Annual General Meeting of the Company held on 30th September, 2009, the Members had accorded consent to the Board of Directors for borrowings up to ₹12,000 million.

The present limit ₹12,000 million may not be sufficient to meet the growing demand of borrowed funds in view of the future plans of the Company and for the purpose of raising funds through loan and debt instruments such as FCCB's / ECB'S and debentures etc.

Considering the financial requirements of borrowed funds in view of the business needs the Company will require additional funds from time to time, and hence, the borrowing limit previously sanction by the members is proposed to be increased from ₹12,000 million to ₹20,000 million. The purpose of this resolution is to seek members consent for increase in the borrowing powers as set out in the resolution at Item no. 9 & 10

The ordinary resolution at Item no. 9 & 10 is therefore submitted to the meeting for consideration and approval of members.

None of the Directors of the Company is in any way concerned or interested in the said resolution.

Directors' Report

To the Members,

Your Directors have pleasure in presenting the 16th Annual Report together with the audited accounts of the Company for the year ended 31st March 2010

Performance:

The financial results of the Company for the year under review are as follows:

Particulars	₹ in million	
	31-03-2010	31-03-2009
Sales	6341.56	4212.60
Other Income	15.71	10.66
Total Expenditure (excluding interest, depreciation & write-offs)	5252.21	3496.40
Profit before interest, depreciation & write-offs	1105.06	726.86
Interest	267.97	140.53
Depreciation & write-offs	251.72	151.43
Profit Before Tax (PBT)	585.37	434.90
Provision for Income Tax (Excl. tax on Dividend)	129.86	53.50
Profit After Tax (Available for appropriation)	455.51	381.40
Appropriations		
Proposed Dividend	38.82	32.35
Tax on Dividend	6.60	5.50
General Reserves	45.60	37.50
Balance carried forward	1185.92	823.09

OPERATIONS:

During the year under review, the total income grew by 50.53 percent to ₹6357.27 million compared to ₹4223.26 million for the year ended 31st March 2009. The financial year 2009-2010, the Company has maintained its growth. PBDIT and Net Profit after Tax stood at ₹1105.06 million and ₹455.51 million

respectively compared to ₹726.86 million and ₹381.40 million for corresponding previous year.

Dividend:

Considering substantial increase in turnover and profits for the year, your directors are extremely happy to recommend higher dividend of ₹3 per equity share i.e. 30 percent (Previous year 25

percent) on the equity capital of 12.94 million equity shares of ₹10/- each in respect of the financial year 2009-10. Higher dividend on enhanced capital indicates that your directors believe that Company will achieve sustainable return on turnover for the rewards of the shareholders. This payment will result into an outflow of ₹38.82 million towards dividend and ₹6.60 million towards dividend tax. If approved, the dividend will be paid to those members whose names appear in the Register of Members of the Company as on the date of book closure as mentioned in the Notice.

Capital Overview:

During the year, there is no change in Authorised and Paid-up Capital.

Board of Directors:

Mr. Devanshu Desai and Mr. Rajendra Gothi retire by rotation but being eligible, offer themselves for re-appointment. They have brought rich experience and professional knowledge to the board's decision making process whereby professional management team has been strengthened. Board acknowledges their contribution in the growth of the Company.

Mr. Rajendra Gothi was designated as executive director by the Board of Directors at its meeting held on 1st October 2009

Mr. Vikram Mordani was appointed as an additional director and designated as non executive director by the Board of Directors at the meeting held on 29th March 2010

During the year under report, Mr. Ketan Chokshi resigned as a director of the Company with effect from 29th March 2010 on account of his preoccupation. The Board has accepted with regret, his resignation and placed on records its deep appreciation for the valuable contributions made by Mr. Ketan Chokshi during his tenure as Director. The Board of Directors of the Company acknowledges his contribution in the growth of the Company.

Necessary resolutions for appointment and re-appointment of the Director are being put to the shareholders for their approval.

DISCLOSURE UNDER SECTION 217 OF THE COMPANIES ACT, 1956

Directors' Responsibility Statement:

Pursuant to section 217 (2AA) of the Companies Act, 1956, Directors state as follows:

a) that in the preparation of the Annual Accounts for the year ended 31st March 2010 the applicable Accounting Standards has been followed along with proper explanation relating to material departures;

b) that they have selected such accounting policies in consultation with statutory auditors and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March 2010 and the profits of the Company for that year;

c) that to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That they have prepared the Annual Accounts for the year ended 31st March 2010 on a ongoing concern basis.

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

Information as per Section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March 2010.

A. Conservation of Energy:

Company believes in maintaining clean environment which is our obligation to mother earth. This is achieved by controlling

wastages and not polluting air and water used for production purpose. Since Company uses electricity for operation of plant and equipments, no harmful gas or liquids are generated. Automatic machines are regularly serviced and preventive maintenance help to keep energy (power) consumption very low. Consumption of raw material, its movements and wastages are highly controlled as per technical norms adopted by the Company to minimise cost and keep the environment clean and healthy. Company's entire production facility does not generate any air, water or solid pollution.

B. Technology Absorption, Research & Development and resultant benefits:

Company believes in continuous up-gradation of technology and adoption of latest production techniques. Different shapes and sizes of moulds are acquired or fabricated for product development and improvement. Company constantly upgrades / refurbishes equipments and moulds to offer quality products and minimise production cost. It also helps in increased

productivity and shortens production cycle. The technology is constantly absorbed and employees are provided on the job training so that the production system is operated at minimum cost. This results in lowest down time and higher production. Market research and customer feedbacks are used to design and develop new variety of AFC's. This provides edge in retaining existing customers and gaining new customers for value added products.

C. Foreign Exchange Earnings and Outgo:

During the year Company's foreign exchange transactions are as:

(₹ in million)

	Year ended 31-03-2010	Year ended 31-03-2009
Foreign Exchange earnings	923.59	939.75
Foreign Exchange outgo	1048.71	1137.13

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THEREUNDER AND FORMING THE PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

(₹ in million)

Name & Designation	Salary & Perquisite received	Qualification	Experience (Years)	Date of commencement of Employment	Age (years)	Previous employment held
Mr. Amitabh Parekh Chairman & Managing Director	15.50	B. Com	16	01-09-1994	37	Nil

Note: Central Government Approval is under process

*Apart from the above there are no other employees who are having a salary of more than ₹2 lacs per month.

Management Discussion & Analysis and Report on Corporate Governance:

As required in terms of the Listing Agreement with the Stock Exchange, a Management Discussion and Analysis Report and a Report on Corporate Governance are annexed forming part of this report.

Public Deposits:

The Company has not accepted any public deposit and as such, no amount on account of principal or interest thereon was outstanding on the date of Balance Sheet.

Recognition and Award:

As on 11th November 2009 your Company has been included in the FORBES List of Top 200 Best under a Billion companies.

During the year CRISIL has upgraded its rating to AA-/STABLE/P1+ from A+/STABLE /P1

Subsidiary Companies:

The Company does not have any subsidiary company.

Insurance:

All the properties and insurable interests of the Company including Building, Plant & Machineries and stocks have been adequately insured.

Auditors:

M/s. C. V. Pabari & Co., Chartered Accountants, Mumbai, the statutory auditors of the Company hold office up to the conclusion of the forthcoming Annual General Meeting of the Company and are eligible for reappointment. The Company has received confirmation from M/S. C. V. Pabari & Co. to the effect that their appointment, if made, would be in conformity with the limits prescribed in section 224 of the Companies Act, 1956. Accordingly, the approval of Members is sought at the Annual

General Meeting for their appointment.

Compliance Certificate:

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

Listing:

As stipulated under Clause 32 of the Listing Agreement, the names and addresses of Stock Exchange on which the Company's equity shares were listed are:

- Bombay Stock Exchange Limited [BSE]
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
- National Stock Exchange of India Limited [NSE]
Exchange Plaza, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

Your Company is delisted from PUNE Stock Exchange.

Your Company confirms that Annual Listing Fees for the year 2010-2011 have been paid to BSE and NSE.

Employees:

Your Directors express their deep appreciation for the unrelenting co-operation and support rendered by the employees at all levels of the Company. Your Directors have laid emphasis on safe working culture in the organisation.

Acknowledgement :

The Directors would like to thank the employees, shareholders, customers, suppliers, bankers, regulatory authorities and all the other business associates of the Company for their confidence and support to its Management.

For and on behalf of the Board of Directors

Amitabh Parekh
Chairman & Managing Director

Mumbai, 28th July 2010

Annexure to the Directors' Report

Management discussion and analysis annexed to the Directors' Report

Management Discussion and Analysis:

The rising middle class and its conscious efforts to demand hygienic product was skilfully turned into a profitable opportunity. Over a period our sales graph goes up from ₹4,212.60 million in 2008-09 to ₹6341.56 million which is appreciable performance of the Company. During the same period, net income rose from ₹381.40 million to ₹455.51 million. This kind of spectacular performance is a result of vision, long term planning, and meticulous implementation, dedicated efforts of employees and unfailing faith of shareholders in the management team.

The industry in which the Company operates is at a very nascent stage in India as the usage is largely restricted to airlines and railways. However with increased awareness for health and hygiene the demand for AFCs and AFRs is expected to pick up over the next couple of years in a big way. Moreover, AFCs and AFRs are slowly and steadily replacing other packaging substitutes like plastic, porcelain and glass containers as AFC's offer various advantages, Aluminum Foil has amazing properties. It is light weight, attractive, resistant to odour, water, air, light, gas, oil and grease and possesses high thermal and electrical conductivity features. All this adds up to a highly versatile product that can be used in myriad applications from the traditional food industry to the hi-tech electronics and telecommunications industry.

We have established good manufacturing practices in accordance with international standards. We acquired award from FORBES and recognised and included in the FORBES list of

Top 200 Best under a Billion. The Credit Rating of the Company is also increase by CRISIL.

Presently, shares are listed at both BSE and NSE. They are regularly traded in active mode in single segment.

Company is also aware about its social responsibilities and ethical responsibility. Company strives to provide a healthy, safe and secure working environment for its entire staff. It provides adequate on the job training, promotion and rewards for meritorious work. It also covers the employees with medical insurance. Our people are technically best in their knowledge and application. Management provides a climate which helps employees at all levels to realise their maximum potential. For needy and under privileged, Company provides helps by various means and ways to fulfil it's social obligation.

Similarly, other stake holders like suppliers, financial institutions, distributors etc are also rewarded so that a family bond is created among all these which ultimately has magnifying beneficial effect for all. Shareholders who are the pillars of the Company have been benefited through higher dividend and increased intrinsic value of their shares. This has to rise further in future as Company scales new heights.

Business Performance:

The Company had under taken an expansion project of ₹240 crores located its existing manufacturing facilities. The expansion project was completed without any time or cost over-run within schedule. All the Machines & moulds envisaged under the project have installed at the factory. The commercial operations

have begun from April 2010. The full fledged impact of the expansion will be reflected in the sales for FY. 2012.

Tax benefit for 100 percent Export Oriented Unit has commenced.

The Company's property and plants are fully insured against predictable perils. They are maintained and serviced periodically to facilitate continuous production. Employees are sent for training to acquire and upgrade their job skill. Modern shop floor practices are followed to reduce fatigue and increase productivity.

The Company considers employees as a business partner. Based on their performance they are rewarded and wherever necessary, imparted with skill and training so as to improve their contribution. This helps to maintain cordial industrial relations.

Current year's outlook and capacity expansion:

On completion of expansion project in April 2010, the installed

capacities will be increased three times from the existing capacities of the wide range of product and will result in higher turnover & profitability of your Company.

The Company enjoys healthy position in the international market. Quality of the Company's product is best and comparable to any other products of World class suppliers. The expansion is being planned to capture the export market and to expanding the retail market. Considering all these factors your board is very much optimistic about time to come.

For and on behalf of the Board of Directors

Amitabh Parekh

Chairman & Managing Director

Mumbai, 28th July 2010

Annexure to the Directors' Report

Report on Corporate Governance annexed to the Directors' Report

1. Company's Philosophy:

The Company's philosophy on Corporate Governance is to ensure transparency, accountability, consistent value systems and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The business operations are conducted to benefit all its stakeholders,

including shareholders, employees, customers, suppliers and statutory authorities.

2. Board of Directors – Composition:

Composition of the Board and the related information is furnished herewith :

Director	Category	Other Companies*		
		Member of Board	Board Committees	
			Chairman	Member
Mr. Amitabh Parekh	Chairman & Managing Director (Executive)	1. Deepen Holding Ltd 2. AAP Securities Ltd. 3. AAP Racing And Stud Farms Limited 4. AAP Entertainment Limited 5. AAP Realtors Limited 6. AAP Hotel And Hospitality Limited 7. Arms Retails (India) Limited 8. AAP Equity Capital Ltd.	–	–
Mr. Rajendra Gothi	Executive Director	1. AAP Securities Ltd. 2. AAP Racing And Stud Farms Limited 3. Arsenal Bulls Celebrations Ltd. 4. Deepen Holding Ltd. 5. AAP Equity Capital Ltd.	–	–
Mr. Devanshu Desai	Non-Executive Independent	1. Bombay Swadeshi Stores Limited 2. First Overseas Capital Ltd.	–	–
Mr. Kiran C. Parikh	Non-Executive Independent	–	–	–
Mr. Vikram Mordani	Non-Executive Independent	1. Proton Construction Ltd.	–	–

*Excludes Private Limited and Foreign Companies.

Board Meetings & Annual General Meeting (AGM):

During the year under review Twelve Board Meetings were held in (i) 2009 -- 27th April 29th June 25th July 2nd Sept 30th Oct

(ii) 2010 – 22nd , 29th Jan 18th, 25th Feb, 13th , 20th , 27th and 29th March.

The last AGM was held on 30th September 2009

Details of attendance:

Director	No. of Board Meeting Attended	Whether attended last AGM
Mr. Amitabh Parekh	13	Yes
Mr. Rajendra Gothi	11	Yes
Mr. Kiran C. Parikh	9	No
Mr. Ketan Chokshi*	8	Yes
Mr. Devanshu Desai	8	No
Mr. Vikram Mordani**	1	No

■ * Director Resigned on 29th March 2010

■ ** Director appointed on 29th March 2010

3. Audit Committee:

The Audit Committee consisting of three Non-Executive independent directors held its meeting on 29-06-09, 25-07-09, 30-10-09 and 29-01-10 during the year.

(i) The composition and attendance of the members at the Audit Committee Meetings for the period 01-04-2009 to 30-09-2009 e as follows:

Name	Status	No. of Audit Committee Meetings attended
Mr. Rajendra Gothi*	Chairman	2
Mr. Devanshu Desai	Member	2
Mr. Kiran C. Parikh	Member	2

*Non executive Director

(ii) The composition and attendance of the members at the Audit Committee Meetings for the period 01-10-2009 to 31-03-2010 e as follows:

Name	Status	No. of Audit Committee Meetings attended
Mr. Kiran C. Parikh	Chairman	2
Mr. Devanshu Desai	Member	2
Mr. Rajendra Gothi*	Member	2

*Executive Director

Statutory Auditors and Managing Director are permanent invitee and they have attended all the meetings. The meetings are also attended by Accounts Manager (in charge of accounts). The committee discusses and reviews, inter-alia, following matters:

- Internal control system and its compliance
- Compliance with accounting standards and code of conduct
- Related party transaction
- Quarterly financial statements with a view to comply with all the legal requirements.
- Advising the board about implications of financial decisions taken

4. Shareholders' / Investors' Grievance Committee:

The composition and attendance of the members at the Grievance Committee Meetings are as follows:

Name	Status	No. of Grievance Committee Meetings attended
Mr. Rajendra Gothi	Chairman	4
Mr. Kiran C. Parikh	Member	3
Mr. Amitabh Parekh	Member	4

Details of complaints received, redressed and pending during the financial year

Pending at the beginning of the year : NIL

Received during the year : 340

Redressed / Replied during the year : 340

Pending at the year end : NIL

5. Share Transfer Committee:

The composition and attendance of the members at the Share Transfer Committee Meetings are as follows:

Name	Status	No. of Share Transfer Committee Meetings attended
Mr. Rajendra Gothi	Chairman	4
Mr. Ketan Chokshi	Member	2
Mr. Amitabh Parekh	Member	4

6. Remuneration paid to Non-Executive Directors during the year ended 31-03-2010:

(Amt in ₹)

Name	Board Fee	Committee Fee	Total Remuneration
Mr. Rajendra Gothi*	27,500	10,000	37,500
Mr. Kiran C. Parikh	22,500	8,750	31,250
Mr. Ketan Chokshi	20,000	7,500	27,500
Mr. Devanshu Desai	20,000	5,000	25,000
Mr. Vikram Mordani	2,500	–	2,500

Except sitting fee and dividend on equity shares, held by non-executive directors, no other payment is made to them. The Company has not set up Remuneration Committee so far.

*Mr. Rajendra Gothi was designated as Executive Director w.e.f. : 1st October 2009 on a remuneration of ₹10,00,000/- p.a.

7. General Body Meetings:

Last three Annual General Meetings were held as under:

Date	Location	Time
30-09-2009	Malabar Hill Club Ltd., B. G. Kher Marg, Mumbai-400 006	11.00 A.M.
09-08-2008	Malabar Hill Club Ltd., B. G. Kher Marg, Mumbai-400 006	9.30 A.M.
22-09-2007	Malabar Hill Club Ltd., B. G. Kher Marg, Mumbai-400 006	10.30 AM

There was no special resolution passed during the financial year 2009-2010. There were no resolutions requiring approval through Postal Ballot.

8. Code of Conduct:

The Company has a code of conduct for Directors and senior

management that reflects high standard of ethical business practices. The Directors and senior management of the Company have affirmed their adherence to the Code of Conduct with a view to avoid conflict of interest in financial and commercial transactions which are material in nature between them and the Company. As required by Clause 49 of the Listing agreement, the Managing Director's Declaration on the Code of Conduct has been annexed to this Report.

9. Other Disclosures:

A. Materially significant related party transactions:

Disclosure on materially significant related party transaction i.e. transactions of the Company which are materially significant with its promoters, directors, with the management or with relatives of directors that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

B. No penalties / strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws on any matter related to capital markets during the last three years.

C. Secretarial Audit:

A qualified practicing Company Secretary carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CSDL.

10. Means of Communication:

a) Half yearly report is not sent to each shareholder. However, the same is published in the leading English and Regional language newspapers and communicated to the stock exchanges.

b) Quarterly results are published in the leading English and Regional language newspapers.

c) Annual audited results, on approval by Board, are also published in the same way. They are also put on Company's web site.

d) Company's Website † www.parekhaluminex.com

e) Management discussion and Analysis Report forms part of the Directors' Report.

11. Shareholder Information:

AGM date, time and venue:

Thursday, 30th September 2010, at 4.00 P.M. at Malabar Hill Club Ltd., B.G. Kher Marg, Mumbai – 400 006

Financial Year:

Financial year of the Company is from April to March each year

Date of Book Closure:

Thursday, 23rd September 2010 to Thursday, 30th September 2010 [both days inclusive]

Dividend payment date:

Dividend once declared shall be paid on and from 5th October 2010

Listing on Stock Exchanges:

The Company's equity shares are listed at

1) Bombay Stock Exchange Limited (BSE)

2) National Stock Exchange (NSE)

Delisted approved from PUNE Stock Exchange

Shares are listed at BSE in the Non-Specified Securities (B2 Group) and at NSE they are listed "Capital Market (Equities Segment)" under "EQ" series.

Stock Code - (Physical):

PARAL~532606 (at BSE)

PARAL~(at NSE)

PARAL~160239 (at PSE)*

International Securities Identification Number:

ISIN Number for NSDL/CDSL : INE 620 C 01013

Stock Price Data:

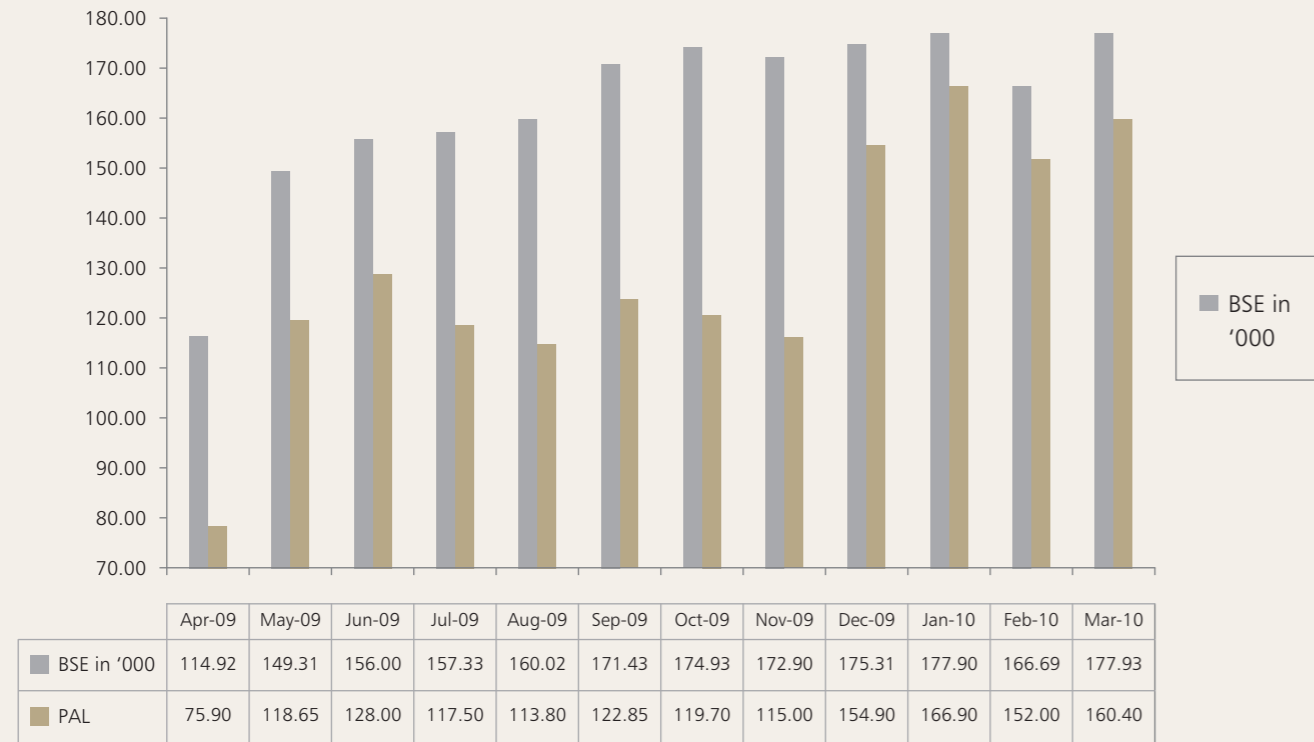
Shares of the Company are being actively traded both at BSE as well as at NSE.

The details of shares traded at BSE are given in the following table:

Share Performance V/s BSE Sensex

Date	BSE Sensex		PAL share prices	
	High	Low	High	Low
April 2009	11,492.10	9,546.29	75.90	59.95
May 2009	14,930.54	11,621.30	118.65	58.65
June 2009	15,600.30	14,016.95	128.00	82.00
July 2009	15,732.81	13,219.99	117.50	85.70
August 2009	16,002.46	14,684.45	113.80	95.00
September 2009	17,142.52	15,356.72	122.85	105.00
October 2009	17,493.17	15,805.20	119.70	99.40
November 2009	17,290.48	15,330.56	115.00	101.05
December 2009	17,530.94	16,577.78	154.90	107.00
January 2010	17,790.33	15,982.08	166.90	131.60
February 2010	16,669.25	15,651.99	152.00	131.10
March 2010	17,793.01	16,438.45	160.40	125.50

PAL Share Price Performance Vs BSE Index (09-10)



Share Transfer System:

Share transfer request received in respect of physical form are processed within 30 days if all requisite documents are submitted. Similarly physical shares received for dematerialisation are processed and completed normally within a period of 15 days. Such transfers are processed by TSR Darashaw Ltd. (formerly known as Tata Share Registry Ltd.), which is registered with SEBI as Category I Registrar. Their addresses and details of contact persons are as follows:

TSR Darashaw Limited

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400011
Tel. : 022-6656 8484, Fax : 022-6656 8494
E-mail: csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Branches:

1. TSR Darashaw Limited
503, Barton Centre, 5th Floor
84, Mahatma Gandhi Road, Bangalore - 560 001
Tel : 080- 25320321, Fax : 080-25580019
E-mail : tsrdlbg@tsrdarashaw.com
2. TSR Darashaw Limited
Bungalow No.1, "E" Road
Northern Town, Bistupur, Jamshedpur – 831 001
Tel: 0657 – 2426616, Fax: 0657 – 2426937
E-mail : tsrdljsr@tsrdarashaw.com
3. TSR Darashaw Limited
Tata Centre, 1st Floor,
43, Jawaharlal Nehru Road, Kolkata – 700 071
Tel : 033 – 22883087, Fax : 033 – 22883062
E-mail : tsrdlcal@tsrdarashaw.com

4. TSR Darashaw Limited

Plot No.2/42, Sant Vihar,
Ansari Road, Daryaganj, New Delhi – 110 002
Tel : 011 – 23271805, Fax : 011 – 23271802
E-mail : tsrdldel@tsrdarashaw.com

Agent:

Shah Consultancy Services Limited

Sumatinath Complex, 2nd Dhal,
Pritam Nagar, Ellisbridge, Ahmedabad – 380 006
Telefax : 079 – 2657 6038
Email : shahconsultancy@hotmail.com

Up to 31-03-2010 : 1,16,61,797 [90.12 percent] of total equity shares issued by the Company have been dematerialised.

Distribution of shareholding as on 31-03-2010

Group of shares	Holdings	Amount (₹)	Percent to capital	No. of Holders	Percent to total holders
1 to 5000	801,649	8,016,490	6.20	5823	85.72
5001 to 10000	396,380	3,963,800	3.06	478	7.04
10001 to 20000	342,548	3,425,480	2.65	225	3.31
20001 to 30000	220,116	2,201,160	1.70	86	1.26
30001 to 40000	105,369	1,053,690	0.81	29	0.43
40001 to 50000	146,671	1,466,710	1.13	31	0.45
50001 to 100000	393,072	3,930,720	3.04	52	0.77
Greater than 100000	10,534,195	105,341,950	81.41	69	1.02
Grand Total	12,940,000	129,400,000	100.00	6793	100.00

Shareholding Pattern As of 31st March 2010

Category	No. of shareholders	No. of shares held	Percent to shareholding
Foreign Companies	–	–	–
Non Resident Indians	321	2760389	21.33
Foreign Inst. Investors	8	1854194	14.33
Financial Institutions	–	–	–
Mutual Funds	–	–	–
Banks	–	–	–
Other Bodies Corporate	321	989097	7.64
Directors & their Relatives	3	2811	0.02
Promoters	12	4387400	33.91
Resident Individuals	6088	2946109	22.77
Total	6793	12940000	100.00

Plant Location:

■ Survey No.204/1/2, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA

■ Survey No.207, Plot No.4, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA

■ Survey No.208, Unit No. 8, Near Dadra Check Post,
Village Dadra-396 191,
U.T. of D. & N.H., INDIA

Address for Correspondence:**For Physical & Demated Shares:**

TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011
Tel: 91-22-66568484

Company's Share Department at:

G-11, Everest Building, 8th floor, Tardeo Road, Tardeo,
Mumbai-400 034, INDIA
Tel.: +91-22-23521777

For and on behalf of the Board of Directors

Amitabh Parekh

Chairman & Managing Director

Mumbai, 28th July 2010

To,

The Board of Directors,

PAREKH ALUMINEX LIMITED

CERTIFICATE

We have reviewed the financial statements and the cash flow statement of Parekh Aluminex Limited for the financial year 2009-10, and certify that:

(a) These statements to the best of our knowledge and belief:

- (i) Do not contain any materially untrue statements or omit any material facts or contain statements that might be misleading;
- (ii) Present a true and fair view of the Company's affairs and of the results of operations and cash flow. They are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, there are no transactions entered into by the Directors and senior management during the year, which are fraudulent, illegal or volatile of the Company's Code of Conduct.

(c) We accept overall responsibility for establishing and maintaining internal control system for financial reporting and have evaluated the effectiveness of the internal control systems of the Company for such reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal

controls, of which we are aware, and the steps taken and/or proposed to be taken to rectify these deficiencies.

(d) We have also indicated to the Auditors and the Audit Committee:

- (i) Significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls;
- (ii) Significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements.

(e) To the best of our knowledge and belief, there are no instances of significant fraud involving either the management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

However, during the year there were no such changes or instances.

Amitabh Parekh

(Chairman & Managing Director)

Mumbai, 28th July 2010

Vallabh Rathi

(Sr. Accounts Manager)

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT

As required under Clause 49 of the Listing Agreement(s) with Stock Exchanges relating to Corporate Governances, I hereby declare that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2009-10.

Amitabh Parekh

Chairman and Managing Director

Mumbai, 28th July 2010

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of

PAREKH ALUMINEX LIMITED,

We have examined the compliance of conditions of corporate governance by Parekh Aluminex Limited for the year ended on 31st March 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied, to the extent applicable, with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement of the Stock Exchanges of India.

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

For **C.V. Pabari & Co.**

Firm Registration No.114402W

Chartered Accountants

Chetan Pabari

Proprietor

Membership No.F/047924

Mumbai, 28th July 2010

Financial section

Auditors' Report

To the Members,
Parekh Aluminex Limited

We have audited the attached Balance Sheet of **Parekh Aluminex Limited** as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto.

1. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) 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.
4. Further to our comments in the Annexure referred to in paragraph 3 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 it appears from our examination of such books of the Company;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of account of the Company;

- d) In our opinion, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards as referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of the written representations received from the Directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company are disqualified as on 31st March, 2010, from being appointed as a Director, in terms of clause (g) of sub-section (1) Section 274 of the Companies Act, 1956;
- f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Company's Accounting Policies and the Notes on Accounts of Schedule "J" thereto, 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:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit & Loss Account, of the Profit for the year ended on that date and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For C.V. Pabari & Co.
Firm Registration No.114402W
Chartered Accountants

Mumbai
28th July, 2010

Chetan Pabari
Proprietor
Membership No: F / 047924

Annexure to the auditor's report

Referred to in paragraph 3 of our Report of even date to the members of Parekh Aluminex Limited on the accounts for the year ended 31st March, 2010.

1. In respect of Fixed Assets:
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
 - b) The Company has a programme for physical verification of the Fixed Assets, which in our opinion is reasonable having regards to the nature of business. Accordingly, the Fixed Assets have been physically verified by the management at the end of the year and no material discrepancies were noticed on such verification.
 - c) During the year, Company has not disposed off any of the fixed assets.
2. In respect of its inventories:
 - a) As explained to us, the inventory has been physically verified by the management during the year and partially at the close of the year. In our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) In our opinion and according to the information and explanations given to us and on the basis of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. a) According to the information and explanations given to us, Company has not granted / taken any secured or unsecured loan to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore, sub-clause (b), (c), (d), (e), (f) and (g) of (iii) of the said Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business with regard to the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
5. In respect of transactions entered in the registered maintained in pursuance of Section 301 of the Companies Act, 1956,
 - a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into register maintained under Sections 301 have been so entered.
 - b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of ₹ Five Lacs in respect of any party, in our opinion, the transactions have made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time. However, with regard to the Management Service Contract with a party, as service is of specialized nature it is not possible to ascertain the market price for the same.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from public and therefore, the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.
7. In our opinion, Company has an internal audit system commensurate with the size and the nature of its business.
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9. Statutory and Other Dues:
 - a) According to the records of the Company and information and explanations given to us, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income-Tax, Sales-Tax, Customs Duty and other statutory dues with the appropriate authorities during the year;
 - b) According to the records of the Company and information and explanations given to us, disputed Excise Duty demands aggregating to ₹ 2,26,818/- have been deposited but the matter is pending with Central Excise & Service Tax Appellate Tribunal.
 - c) According to the records of the Company and information and explanations given to us, disputed Income tax demands aggregating to ₹ 73,10,676/- against which company has deposited ₹ 53,08,000/- but the matter is pending in Appeal with Commissioner of Appeal.
10. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
11. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
14. a) Based on the records examined by us and according to the information and explanations given to us, we are of the opinion that the Company is not dealing in shares and securities and hence, the question of maintenance of proper records of transactions and contracts of dealing in shares and securities does not arise.
 - b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the Company does not own any shares and securities in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice-versa.
18. The Company has not any made preferential allotment of shares to various parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956, during the year.
19. According to the information and explanations given to us and the records examined by us, the Company has not issued any Debentures and hence, the question of whether the securities have been created in respect of the debentures issued does not arise.
20. The Company has not raised any money by public issues during the year and hence, the question of disclosure and verification of end use of such money does not arise.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For C.V. Pabari & Co.
Firm Registration No.114402W
Chartered Accountants

Mumbai
28th July, 2010

Chetan Pabari
Proprietor
Membership No: F / 047924



Balance Sheet As at 31st March, 2010

(₹ in Million)

Schedules	As at 31.03.2010	As at 31.03.2009
I SOURCES OF FUNDS		
1) Shareholders' Funds		
a) Share Capital A	129.40	129.40
b) Reserves & Surplus B	2,934.02	2,525.59
2) Loan Funds		
a) Secured Loans C	2,695.29	1,279.81
b) Unsecured Loans D	1,364.11	806.51
3) Deferred Tax Liability	38.56	13.70
Total	7,161.38	4,755.01
II APPLICATIONS OF FUNDS		
1) Fixed Assets E		
Gross Block	2,200.57	1,450.75
Less: Depreciation	671.19	419.47
Net Block	1,529.38	1,031.28
Capital Work-in-Progress	3,378.87	1,933.82
2) Current Assets, Loans & Advances F		
a) Inventories	1,095.25	868.26
b) Sundry Debtors	1,287.81	886.37
c) Cash & Bank Balances	399.20	276.61
d) Loans & Advances	378.58	299.36
	3,160.84	2,330.60
Less: Current Liabilities & Provisions G	769.14	319.90
Creditors for Deferred payments	138.57	220.79
	907.71	540.69
Net Current Assets	2,253.13	1,789.91
Total	7,161.38	4,755.01

The Schedules referred to above form an integral part of the Accounts

As per our attached report of even date

For & on behalf of the Board

For C.V. Pabari & Co.
Chartered Accountants
Firm Registration No.114402W

H. Mehta
Company Secretary

Amitabh Parekh
Chairman & Managing Director

Chetan Pabari
Proprietor
Membership No. 047924
Mumbai, 28th July, 2010

Vikram Mordani
Director

Rajendra Gothi
Executive Director

Profit and Loss account For the year ended 31st March, 2010

(₹ in Million)

Schedules	As on 31.03.2010	As on 31.03.2009
INCOMES		
Sales	6,341.56	4,212.60
Other Incomes	15.71	10.66
Total	6,357.27	4,223.26
EXPENDITURES		
Raw Materials Consumed H	4,759.88	3,180.31
Manufacturing, Trading & Other Expenses I	492.33	316.09
Profit Before Interest & Depreciation	1,105.06	726.86
Interest	267.97	140.53
Depreciation E	251.72	151.43
PROFIT BEFORE TAX	585.37	434.90
Less : Provision for Taxation		
Current	105.00	50.00
Deferred	24.86	2.50
F.B.T.	0.00	1.00
PROFIT AFTER TAX	455.51	381.40
Add : Balance of Profit from Previous Year	823.09	521.15
Less : Excess/Short provision of I. Tax of earlier years, written back	(1.66)	(4.11)
Total	1,276.94	898.44
APPROPRIATIONS		
Proposed Dividend	38.82	32.35
Tax on proposed Dividend	6.60	5.50
General Reserve	45.60	37.50
Balance carried to Balance Sheet	1,185.92	823.09
Total	1,276.94	898.44
Basic and diluted earnings per share (in ₹)	35.20	29.48

The Schedules referred to above form an integral part of the Accounts

As per our attached report of even date

For & on behalf of the Board

For C.V. Pabari & Co.
Chartered Accountants
Firm Registration No.114402W

H. Mehta
Company Secretary

Amitabh Parekh
Chairman & Managing Director

Chetan Pabari
Proprietor
Membership No. 047924
Mumbai, 28th July, 2010

Vikram Mordani
Director

Rajendra Gothi
Executive Director

Schedules forming part of the Balance Sheet & Profit and Loss Account

For the year ended 31st March, 2010

(₹ in Million)

	As at 31.03.2010	As at 31.03.2009
Schedule – A SHARE CAPITAL		
Authorised		
2,00,00,000 (2,00,00,000) Equity shares of ₹ 10/- each	200.00	200.00
	200.00	200.00
Issued Subscribed & Paid Up – Equity Share Capital		
l) 1, 29, 40,000 (1,29,40,000) Equity shares of ₹ 10/- each.		
Out of Which 63,100 equity shares are issued for Consideration Otherwise than cash. (Previous year 63,100 equity shares).	129.40	129.40
Total	129.40	129.40
Schedule – B RESERVES & SURPLUS		
General Reserve	146.65	75.63
Warrant Forfeiture Account	--	25.42
Share Premium Account	1,601.45	1,601.45
Profit and Loss Account	1,185.92	823.09
Total	2,934.02	2,525.59
Schedule – C SECURED LOANS		
Cash Credit	1,402.91	861.40
Term Loan	1,292.38	418.41
Working Capital facilities are Secured by hypothecation of stocks and book debts. These are further secured by second charge on the fixed assets of the company		
Term loans from banks are secured by equitable mortgage of land & building and hypothecation of plant & machineries and movable assets, both present and future.		
Total	2,695.29	1,279.81
Schedule – D UNSECURED LOANS		
From Directors & Others	1,364.11	806.51
Total	1,364.11	806.51

Schedules forming part of the Balance Sheet & Profit and Loss Account

(Contd...)

(₹ in Million)

Schedule – E	FIXED ASSETS									
	GROSS BLOCK				DEPRECIATION			NET BLOCK		
Particulars	As on 01.04.2009	Additions during the year	Deduction during the year	As at 31.03.2010	Upto 31.03.2009	Depreciation for the year	As at 31.03.2010	As on 31.03.2010	As on 31.03.2009	
Borewells	0.03	--	--	0.03	0.03	--	0.03	--	--	
Computers	4.53	0.80	--	5.33	3.08	0.82	3.90	1.43	1.45	
Electric Installations	5.76	5.28	--	11.04	3.16	1.00	4.16	6.88	2.60	
Factory Buildings	328.36	41.25	--	369.61	51.83	31.36	83.19	286.42	276.53	
Furniture & Fixtures	16.85	0.32	--	17.17	10.37	1.20	11.57	5.60	6.48	
Land	19.77	110.26	--	130.03	--	--	--	130.03	19.77	
Office Equipments	9.41	0.95	--	10.36	3.28	0.92	4.20	6.16	6.13	
Plant & Machineries	1,037.31	590.58	--	1,627.89	338.47	211.28	549.75	1,078.14	698.84	
Vehicles	28.73	0.38	--	29.11	9.25	5.14	14.39	14.72	19.48	
Total	1,450.75	749.82	--	2,200.57	419.47	251.72	671.19	1,529.38	1,031.28	
Previous Year	867.85	582.90	--	1,450.75	268.04	151.43	419.47	1,031.28	--	

	As at 31.03.2010	As at 31.03.2009
Schedule – F CURRENT ASSETS, LOANS & ADVANCES		
Current Assets		
Inventories		
Raw Materials	871.00	714.45
Finished Goods (As valued and Certified by Directors)	224.25	153.81
Total	1,095.25	868.26
Sundry Debtors (Unsecured, Considered goods)		
i) Debts outstanding for a period more than six months	--	--
ii) Others	1,287.81	886.37
Total	1,287.81	886.37
Cash and Bank Balances		
Cash on hand	33.14	36.62
Bank Balance with Scheduled Bank		
- In Current Accounts	40.21	8.41
- In Fixed Accounts	248.54	42.87
Margin money kept with bank	77.31	188.71
Total	399.20	276.61
Loan and Advances (Unsecured, Considered good)		
Advances recoverable in cash or in kind for the value to be received	368.47	290.61
Deposits		
For Premises	8.34	7.43
For Tenders	1.77	1.32
Total	378.58	299.36

Schedules forming part of the Balance Sheet & Profit and Loss Account

(Contd...)

(₹ in Million)

	As at 31.03.2010	As at 31.03.2009
Schedule – G CURRENT LIABILITIES & PROVISIONS		
A. Current Liabilities		
Sundry creditors for Goods	121.37	198.03
Sundry creditors for Others	542.77	71.87
	664.14	269.90
B. Provision for Income Tax	105.00	50.00
	769.14	319.90
C. Creditors for deferred payments	138.57	220.79
Total	907.71	540.69
Schedule – H RAW MATERIAL CONSUMED		
I. Raw Material Consumed		
Opening Stock	714.45	492.38
Add: Purchases	4,986.87	3,478.38
	5,701.32	3,970.76
Less: Closing Stock	871.00	714.45
	4,830.32	3,256.31
II. Variation in the Stock of Finished Goods		
Opening Stock	153.81	77.81
Closing Stock	224.25	153.81
	(70.44)	(76.00)
Total	4,759.88	3,180.31
Schedule – I MANUFACTURING, TRADING & OTHER EXPENSES		
Manufacturing Expenses		
Store & Spares	16.92	12.08
Power & Fuels	19.23	13.05
Rent	8.56	6.44
Other Expenses	263.09	173.47
Employees Remuneration & Benefits		
Salaries & Bonus	24.83	14.50
Staff Welfare Expenses	7.31	5.85
Managerial Remuneration		
Directors' Remuneration	15.86	3.60
Directors' Sitting Fees	0.12	0.08
Administrative & General Expenses		
Conveyance & Travelling Expenses	11.26	8.85
Professional & Legal Fees	11.95	7.01
Telephone Expense	2.40	3.04
Other Expenses	78.27	45.55
Selling & Distribution Expenses		
Brokerage & Commission	3.15	2.16
Sales Promotion Expenses	24.88	15.92
Insurance	3.18	3.61
Audit Fees	1.32	0.88
Total	492.33	316.09

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the year ended on that date

A. SIGNIFICANT ACCOUNTING POLICIES

1) System of Accounting

a) Basis of Accounting

The financial statements are prepared on historical cost convention basis and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956, and the applicable Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. Company follows the mercantile system of accounting.

b) Use of Estimates

The presentation of the financial statements in conformity with generally accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may diverge from these estimates.

2) Fixed Assets & Depreciation

a) Fixed Assets are stated at their original cost. Such expenditure comprises purchase price, import duties, levies and any directly attributable cost of bringing the assets to their working condition.

b) Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedules XIV to the Companies Act, 1956.

c) Depreciation on assets added / disposed off during the year is provided on pro-rata basis with reference to the period of use.

3) Valuation of Inventory

a) Finished goods are valued at cost plus direct expenses related to it.

b) Raw Material is valued at cost

4) Revenue Recognition

Domestic Sales revenue are recognised on dispatch of the goods to the customers and stated net of returns. Export sales are recognised on date of bill of landing/airway bill.

5) Foreign Currency Transactions

Foreign Currency transactions are accounted at the rates prevailing on the date of transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing at the date of balance sheet and resultant exchange differences are recognised in the profit and loss account for the year.

6) Taxation

Current tax is determined as the amount of tax payable in respect of the taxable income for the year.

Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) credit is recognised as an asset on the basis of the considerations that there being a convincing evidence of realisation of the asset and in the year in which the MAT credit becomes eligible to be recognised, the said asset is created by way of credit to the profit and loss account.

7) Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

8) Employee Benefits

- i) As per the consistent accounting policies followed by the Company since inspection, the Company is not providing for any other benefit to employees except for Provident Fund to their permanent employees.
- ii) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

9) Borrowing Costs

Borrowing costs attributable to acquisition, construction or production of qualifying assets are capitalized as part of such asset till the time the asset is ready for use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

10) Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standards 20, "Earnings per Share" issued by the ICAI. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

11) Capital Work-In-Progress

Project under commissioning and other Capital Work-In-Progress are carried at cost, comprising direct cost and related incidental expenses.

12) Cash Flow Statements

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) notified under the Companies (Accounting Standards) Rules, 2006.

13) Provisions and Contingencies

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle obligation, in respect of which 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. Contingent liabilities are not recognised but are disclosed in the notes to the financial statement. A contingent asset is neither recognised nor disclosed.

B. NOTES ON ACCOUNTS

1) Related Party Disclosures

Disclosures as required by the Accounting Standard - 18 "Related Party Disclosures" are given below;

a. List of related party

Associated Companies	
1. Deepen Holding Limited	
2. AAP Securities Limited	
3. AAP Racing and Stud Farms Limited	
4. AAP Entertainment Limited	
5. AAP Realtors Limited	
6. AAP Hotel and Hospitality Limited	
7. Arms Retails (India) Limited	
8. AAP Equity Capital Limited	
Key Management Personnel	Mr. Amitabh Parekh – Chairman & Managing Director

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

b. Transaction with Related Party (₹ in Million)

Nature of Transactions	Associates Companies		Key Management Personnel and their relatives	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009
Transactions				
Sales	--	--	--	--
Purchases	--	--	--	--
Professional Fees	--	--	0.84	0.68
Salary Expenses	--	--	0.33	0.25
Interest Expense	--	--	0.88	0.63
Rental Expenses	--	--	1.50	1.50
Directors Remuneration	--	--	15.86	3.60
Directors Sitting Fees	--	--	0.12	0.08
Car Hiring Charges	--	--	1.20	1.20
Dividend on Shares	--	--	10.97	6.19

2) Segment Reporting

Primary Segment

Based on the guiding principle given in the Accounting Standard – 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company's primary segment are Aluminium Foil Containers, Lids & Rolls. Company's operation during the year predominately consists of Aluminium Foil Containers, Trays, Lids & Rolls. Hence, there is no separately reportable segment.

Secondary Segment

Segment reporting of revenue for the Company is on the basis of the geographical location of the customers is as under:

(₹ in Million)					
Revenue	India	U.K/ Europe	U.S.A.	Others	Total
Current Year	5367.37	375.77	470.38	128.04	6341.56
Previous Year	3210.94	394.73	427.68	179.25	4212.60

3) Contingent Liabilities

- a) Disputed demand of Central Excise of ₹ 0.23 Million. And the matter is taken up before Central Excise & Service Tax Appellate Tribunal. The Company has made deposit of ₹ 0.23 Million with Central Excise & Service Tax Appellate Tribunal (Previous Year ₹ 0.23 Million).
- b) According to the records of the Company and information and explanations given to us, disputed Income tax demands aggregating to ₹ 7.31Million against which company has deposited ₹ 5.31Million but the matter is pending in Appeal with Commissioner of Appeal.
- c) Outstanding L.C. & Bank Guarantee issued to clients / suppliers by Bankers secured by counter guarantee of the Company is ₹ 937.55 Million. (Previous Year ₹ 729.77 Million).
- d) Export obligation of ₹ Nil to be met against EPCG License availed (Previous year ₹ 111.02 Million)

4) Payment to Auditors (₹ in Million)

	Current Year	Previous Year
For Audit Fees	1.32	0.88
For Other capacity	0.67	0.44
	1.99	1.32

- 5) In the opinion of the Board, Current Assets and Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. Provisions for all known liabilities are made and the same are adequate and not in excess of the amount reasonably necessary.

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

- 6) Closing stock has been taken, valued and certified by the management.
7) Information pursuant to para's 3, 4C and 4D of schedule VI to the Companies Act, 1956 (as certified by the Directors)

a) Capacity and Production

Product	Unit Capacity	Year	Licensed Capacity P.A.	Installed Capacity P.A.	Actual Production
					P.A.
					(₹ in Million)
					(Pcs. in Million)
i. Casseroles/Trays Containers/Dishes	pcs.	2009-2010	N.A.	4,000.00	2,860.00
		2008-2009		2,350.00	1,890.00
ii. Aluminium Foils/Rolls	pcs.	2009-2010	N.A.	75.00	54.00
		2008-2009		50.00	39.00
iii. Lids	pcs.	2009-2010	N.A.	1,200.00	867.00
		2008-2009		885.00	660.00

b) Turnover and Stocks

Year	Opening Stock		Turnover / Sales		Closing Stock	
	Pcs in Million	₹ in Million	Pcs in Million	₹ in Million	Pcs in Million	₹ in Million
2009-2010	61.28	153.81	3,752.59	6,341.56	89.69	224.25
2008-2009	30.28	77.81	2,478.50	4,212.60	61.28	153.81

c) Raw Material Consumption

Year	Product	Quantity in Tons	₹ in Million
2009-2010	Aluminium Foils/Laminates/Reels/Sheets	28,884.00	4,830.32
2008-2009	-"	16,441.00	3256.31

d) Value of Imports calculated on C.I.F. basis

	Current Year	Previous Year
Raw Material	536.95	919.59
Stores	135.35	131.56

e) Expenditure in Foreign Currency

	Current Year	Previous Year
Plant & Machinery and Moulds	376.41	85.98

f) FOB value of sales

	Current Year	Previous Year
Exports at F.O.B. Value	923.59	939.75

g) Imported and Indigenous Raw Materials

	Current Year	Previous Year
1. Imported	536.95	919.59
2. Indigenous	4,449.91	2,558.79

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

h) Remuneration to whole time Directors

	2009-10	2008-09
Director Remuneration	15.86	3.60
The computation of net profits in accordance with Sec.198 read with Sec.309 (5) of the Companies Act, 1956 for the year ended on 31st March, 2010:		
(₹ in Million)		
Profit Before taxation as per Profit & Loss Account		585.37
Add:		
Directors' remuneration including Directors' fees	15.98	
Depreciation charged in the accounts	251.72	267.70
		853.07
Less:		
Depreciation as per Sec.350		251.72
Net Profit as per Sec.309 (5)		601.35
Ceiling on total remuneration to whole time Directors		60.14
Actual remuneration to whole time Directors		15.86

- 8) Balances in respect of Sundry Debtors, Sundry Creditors, Loans & Advances and unsecured Loans are subject to confirmation.

9) Remittance in foreign currency on account of Dividends to N.R.I.:

	2009-10	2008-09
No. of Shareholders:	9	11
No. of shares held:	2139000	2750000
Dividend remitted [₹ in Million]:	5.35	5.50
Dividend for the year:	2008-09	2007-08

10) Earnings per Share:

	2009-10	2008-09
i. Numerator used for calculating basic and diluted earnings per share – Profit after Tax	455.51 Million	381.40 Million
ii. Weighted average number of shares outstanding during the year	1,29,40,000	1,29,40,000
iii. Nominal value of shares – ₹	10/-	10/-
iv. Basic & diluted Earnings per Share – ₹	35.20	29.48

11) Operating Leases (AS 19)

	2009-10	2008-09
i. The Company normally acquire offices, factory & vehicles on operating leases. The future minimum lease payment in respect of which as at 31st March, 2010 are as follows:		
Period		
- Payable not later than 1 year	₹ 27,24,875	₹ 3,96,000
- Payable later than 1 year not later than 5 years	₹ 18,56,631	₹ 4,25,000
- Payable later than 5 years	--	--
ii. The Company has given property on lease and lease rentals are receivable as follows:		
Period		
- Receivable not later than 1 year	NIL	₹ 19,18,344
- Receivable later than 1 year not later than 5 years	--	--
- Receivable later than 5 years	--	--

Schedule – J ACCOUNTING POLICIES AND NOTES ON ACCOUNTS (Contd...)

12) There are no amounts due and outstanding to be credited to Investor Education & Protection Fund.

	31.03.2010	31.03.2009
13) Industrial license held	NA	NA

14) Break – up of deferred tax assets (liability): (₹ in Million)

	31.03.2010	31.03.2009
	Deferred Tax Assets/ (Liability)	Deferred Tax Assets/ (Liability)
i. Difference between Books & Tax Depreciation	(82.86)	(7.02)

15)a. Details of dues to Micro, Small and Medium Enterprises as per Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 (₹ in Million)

Sl. No.	Particulars	2009-10	2008-09
i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	6.37	0.33
	- Interest thereon	Nil	Nil
	- Interest due & payable thereon	0.19	0.01

b. Total amount due to various Small Scale Industrial (SSI) Undertakings is ₹ 17.84 million. The above information regarding Small Scale Industrial Undertaking has been determined to the extent such party been identified on the basis of information furnished by Company.

16) The Company has classified the various benefits provided to the employees as under :

- i) Defined Contribution Plan
 - a) Provident Fund
 - b) Superannuation Fund and Pension Scheme – 1995

The Company has recognized the following amounts in the Profit and Loss account which are included under Contribution to Provident Fund and Other Funds for their permanent employees.

	2009-10	2008-09
Provident Fund	4,80,115	4,86,306

17) Previous Year figures have been regrouped and rearranged wherever necessary to confirm to the current year's presentation.

18) The Company has not incurred any expenditure for Research & Development Expenditures during the year under review.

19) Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details	
Registration No.	11-80732 of 1994
State Code	11
Balance Sheet Date	31.03.2010
2. Capital raised during the year (₹ in Million)	
Public Issue	NIL
Preferential Issue	NIL
Warrants Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Promoter's Quota	NIL
Call Money	NIL
3. Position of mobilisation and deployment of Funds (₹ in Million)	
Total Liabilities	7,161.38
Total Assets	7,161.38
Sources of Funds:	
Paid-up Capital	129.40
Reserves & Surplus	2,934.02
Secured Loans	2,695.29
Unsecured Loans	1,364.11
Deferred tax liability	38.56
Application of Funds:	
Net Fixed Assets	1,529.38
Capital Work-in-progress	3,378.87
Net Current Assets	2,253.13
4. Performance of the Company (₹ in Million)	
Turnover (Gross Receipts)	6,357.27
Total Expenditure	5,771.90
Profit before tax	585.37
Profit after tax	455.51
Earnings Per Share of ₹ 10 each (Basic)	35.20
Dividend Rate including Special Dividend, if any	:
- on Preference Shares	--
- on Equity Shares	30%
5. Generic Names of Principal products, services of the Company	
Item Code No. (ITC Code)	AA 3003
Product Description	Aluminium Foil Trays / Containers / Casseroles, Lids for the same & Aluminium Foils Rolls.

As per our attached report of even date

For & on behalf of the Board

For C.V. Pabari & Co.

H. Mehta

Amitabh Parekh

Chartered Accountants

Company Secretary

Chairman & Managing Director

Firm Registration No.114402W

Chetan Pabari

Vikram Mordani

Rajendra Gothi

Proprietor

Director

Executive Director

Membership No. 047924

Mumbai, 28th July, 2010



Cash Flow Statement For the year ended 31st March, 2010

(₹ in Million)

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	585.37	434.90
<i>Adjustments for:</i>		
Interest Paid	267.97	140.53
Interest Received	(13.80)	(8.88)
Depreciation	251.72	151.43
Operating profit before working capital changes	1091.26	717.98
<i>Changes in:</i>		
Trade and other receivables	(480.66)	(195.59)
Inventories	(226.99)	(298.07)
Trade Payables	283.15	94.60
Cash generated from operations	666.76	318.92
Interest paid	(267.97)	(140.53)
Direct taxes paid	(30.36)	(37.99)
Net Cash Flow from operating activities	368.43	140.40
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(749.82)	(582.90)
Payment for Capital Work-In-Progress	(1445.05)	(602.53)
	(2194.87)	(1185.43)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Preferential Equity share	-	-
Proceeds from issue of Warrants	-	-
Proceeds from borrowings – Secured Loans	1415.48	707.11
Proceeds from Unsecured Loans	557.60	554.49
Interest received	13.80	8.88
Dividend & Dividend Tax paid	(37.85)	(30.28)
Net Cash used in financing activities	1949.03	1240.20
Net increase / (decrease) in cash and Cash equivalents	122.59	195.17
Cash and cash equivalents at the commencement of the year	276.61	81.44
Cash and cash equivalents at the end of the year	399.20	276.61

As per our attached report of even date

For C.V. Pabari & Co.
Chartered Accountants
Firm Registration No.114402W

Chetan Pabari
Proprietor
Membership No. 047924
Mumbai, 28th July, 2010

For & on behalf of the Board

H. Mehta
Company Secretary

Amitabh Parekh
Chairman & Managing Director

Vikram Mordani
Director

Rajendra Gothi
Executive Director

Auditor's Certificate

We have examined the attached Cash Flow statement of Parekh Aluminex Limited for the year ended 31st March, 2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with the Stock Exchanges (BSE & NSE) and is based on and in agreement with the corresponding Profit & Loss account and Balance Sheet of the Company covered by our report dated 28th July, 2010 to the members of the Company.

For C.V. Pabari & Co.
Firm Registration No.114402W
Chartered Accountants

Chetan Pabari
Proprietor
Membership No.F/047924

Mumbai, 28th July, 2010

Parekh Aluminex Limited

Proxy Form

For Office use

REGD. FOLIO NO.	
DP. ID / CLIENT ID	
PROXY NO.	
NO. OF SHARES	

I / We _____ of _____ in the district of _____ being a member / members of **PAREKH ALUMINEX LIMITED**, hereby appoint _____ of _____ in the district of _____ failing him / her _____ of _____ in the district of _____ as my / our proxy to attend and vote for me / us on my / our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, 30th September 2010 at 4.00 PM at Malabar Hill Club Ltd., B.G. Kher Marg, Mumbai – 400 006 and at any adjournment thereof.

Signed this _____ Day of _____ 2010

Signature _____

Affix
Revenue
Stamp of
₹1/-

Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.



Parekh Aluminex Limited

Attendance Sheet

Folio No. _____ No. of Shares _____

D.P. ID / CLIENT ID _____

I / We hereby present my / our attendance at the 16th Annual General Meeting of PAREKH ALUMINEX LIMITED held on Thursday, 30th September 2010 at 4.00 PM at Malabar Hill Club Ltd., B.G. Kher Marg, Mumbai - 400 006.

NAME OF THE SHAREHOLDER (IN CAPITAL LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN CAPITAL LETTERS)	
SIGNATURE OF THE PROXY	

Notes: 1. Members / Proxies are requested to hand over the slip at the entrance of the meeting
2. Members / Proxies are requested to bring their copy of Annual Report for reference at the meeting

Dear Shareholders,

Re: Amendments to Section 109A of the Companies Act, 1956
Nomination Form 2B for Shares / Debentures

You may be aware that in view of amendment to Section 109A of the Companies Act, 1956, provision has been made for making Nomination for shares and debentures. For this purpose Form 2B has been prescribed by the Act which is appended.

You are requested to avail this facility, in case you so desire. The duly filled and signed form should be sent to the Registrars / Registered Office of the Company for action thereupon.

Yours faithfully,
For PAREKH ALUMINEX LIMITED

Amitabh Parekh
Chairman & Managing Director

Mumbai, 28th July, 2010

FORM 2B
(See rule 4CCC and 5D)
NOMINATION FORM

(To be filled in by individual(s) applying singly or jointly)

I/We _____ and _____ and _____ the holders of _____ Equity Shares bearing numbers from _____ to _____ of PAREKH ALUMINEX LIMITED wish to make a nomination and do hereby nominate the following person in whom all rights of transfer and / or amount payable in respect of Equity Shares shall vest in the event of my / our death.

Name and Address of the Nominee:

Name: _____

Address: _____

Date of Birth* _____

(* To be furnished in case Nominee is a minor)

The Nominee is a minor whose guardian is:

Name: _____

Address: _____

Signature(s) of Shareholder(s) as per SPECIMEN recorded with the company.

Folio No. _____

Name: _____

Signature _____

Address: _____

Name: _____

Signature _____

Address: _____

Name: _____

Signature _____

Address: _____

Dated _____

Signature of two witnesses:

(1) Name : _____ Signature _____
Address: _____

Dated _____

(2) Name : _____ Signature _____
Address: _____

Dated _____

(Before filling up the form please read the instructions)

1. The Nomination can be made by individuals only, holding shares on their own behalf, singly or jointly. Non-individuals including trust, society, body corporate, partnership firm, karta of Hindu Undivided Family, holders of power of attorney cannot nominate. If the shares are held jointly, all joint holders will sign the nomination form.
2. A minor can be nominated by a holder of shares and in that event the name and address of the guardian shall be given by the holder.
3. A nominee shall not be a trust, society, body corporate, partnership firm, karta of Hindu Undivided Family or a power of attorney holder. A non-resident Indian can be a nominee on repatriable basis, subject to applicable laws.
4. Nomination stands rescinded upon transfer of share(s).
5. Transfer of shares in favour of a nominee shall be a valid discharge by the Company against the legal heir.

28th July, 2010

Dear Shareholder(s)

Sub: Option for ECS Mandate / Bank Mandate

ECS Mandate

As an added service to our shareholders, we are pleased to offer the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). This facility is currently available to shareholders located at Ahmedabad, Bangalore, Bhubaneshwar, Chandigarh, Chennai, Guwahati, Jaipur, Hyderabad, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram. Shareholders in these locations who would like to avail of this facility are requested to fill up the mandate form provided else where and submit the same so as to reach the Company's Registrar & Share Transfer Agent latest by 23rd September, 2010. This service not only protects a shareholder against fraudulent interception and encashment of dividend warrants but also eliminates dependence on the postal system, loss / damage of dividend warrants in transit and correspondence relating to revalidation / issue of duplicate dividend warrants.

Kindly note that as per directives of Securities and Exchange Board of India (SEBI), in respect of shareholders holding shares in dematerialised form, dividend shall be paid through ECS (where such facility is available) directly into the bank account furnished by the shareholders to their respective Depository Participant. Such shareholders therefore need not submit the mandate form provided along with this letter. In case it is desired to receive dividend in a bank account other than the one specified while opening the Demat Account, such shareholders may please inform the same to their respective Depository Participant immediately.

Bank Mandate

Shareholders holding shares of the Company in physical form and who, for any reason, would not like to avail of the ECS facility being offered to such shareholders as mentioned above, are requested to furnish (if not done earlier) in the mandate form provided along with this letter, details of their bank account number and name of the bank and the branch, which would be printed on the dividend warrants to avoid fraudulent encashment thereof.

Kindly note that the ECS/Bank mandate instructions should be under the signature of the shareholder(s) as per specimen lodged with the Company.

Thanking you,

Yours sincerely,

For PAREKH ALUMINEX LIMITED

Amitabh Parekh

Chairman & Managing Director

ECS MANDATE FORM

Date: _____

M/S. TSR Darashaw Ltd.

6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011

FORM FOR ECS MANDATE I BANK MANDATE

(Not required to be filled by Shareholders holding shares in dematerialised form)

I / We..... do hereby authorise Parekh Aluminex Limited to:

■ Credit my dividend amount directly to my Bank Account as per details furnished below by Electronic Clearing Service (ECS) - ECS Mandate*

■ Print the details of my Bank Account as furnished below, on my dividend warrant which will be mailed to me - Bank Mandate*

(* Please strike out whichever is not applicable)

Folio No.

A.	Bank Name	
B.	Branch	
C.	Bank Address	
D.	Bank Account Number	
E.	Account Type (Savings / Current)	
F.	9 Digit Code number of the bank & branch as appearing on the MICR cheque (for ECS Mandate only)	
	Please attach photocopy of the cheque	
G.	Telephone number (with STD code) of shareholder (optional)	
H.	Email ID of Shareholder (optional)	

I / We shall not hold the Company responsible, if the ECS mandate cannot be implemented for reasons beyond the control of the Company.

Signature of shareholder(s)

(as per specimen lodged with the Company)

Note:

1. Kindly note that ECS facility is currently available to shareholders located at Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Guwahati, Jaipur, Hyderabad, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram.
2. You may contact the Company's Share Transfer Agents, M/s. TSR Darashaw Ltd, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400011, for any clarifications you may have on the ECS/Bank Mandate on Tel: 91-22-66568484, Fax: 91-22-66568494, E-mail: csg-unit@tsrdarashaw.com, Website: www.tsrdarashaw.com

NOTES
