



BHORUKA
THE ALUMINIUM ARCADE

Registered Office & Works
BHORUKA ALUMINIUM LIMITED
1, K.R.S. Road, Metagalli, Mysore - 570 016
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www.bhorukaaluminium.com

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BHORUKA
THE ALUMINIUM ARCADE



EXTRUSIONS - ANODISING - POWDER COATING - FABRICATION
ANNUAL REPORT 2011-12
(18 Months)

CORPORATE INFORMATION

Board of Directors	Dr.B.L.Amla	<i>Chairman</i>
	Shri S.P.Shanthinath	<i>Director</i>
	Shri R.E.Singh	<i>Director</i>
	Shri R.K.Agarwal	<i>Managing Director</i>
	Shri Rajat Agarwal	<i>Executive Director</i>
	Shri Akhilesh Kumar Pandey	<i>Wholetime Director</i>
CFO	Shri Ajay Kumar Dalmia (Resigned 03.09.2012)	
Company Secretary	Shri Pranab Panigrahi (Resigned 31.05.2012)	
Registered Office & Works	# 1, KRS Road Metagalli Mysore – 570 016.	
Statutory Auditors	M/s. R.S Agarwala & Co., Chartered Accountants	
Principal Bankers	State Bank of India	
Registrars & Share Transfer Agents	M/s Karvy Computershare Private Limited 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081. Tel No.040-44655000 Fax No.040-23420814 Toll Free No.1800-3454-001 E-mail : einward.ris@karvy.com Web Site : www.karvy.com Regd.Office : Karvy House 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034	

32nd Annual General Meeting

**Date :
Monday, 25th February, 2013**

Time : 11:30 a.m

**Venue :
Registered Office of the Company
1, KRS Road, Metagalli, Mysore - 570 016**

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NOTICE

Notice is hereby given that the 32nd Annual General Meeting of the members of the Company will be held on **Monday, the 25th February, 2013 at 11:30 a.m.** at the Registered Office of the Company at No. 1, K.R.S. Road, Metagalli, Mysore-570 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th September, 2012 (18 months) and the Profit and Loss Account for the financial period ended as on that date together with the Reports of the Directors and Auditors thereof.
2. To appoint a Director in place of Dr. B.L. Amla, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. Appointment of Shri. S.P. Shanthinath as Director

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

“RESOLVED THAT Shri S.P. Shanthinath, who was appointed as an Additional Director of the Company in accordance with the Article 181(a) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

5. Appointment of Shri R.E. Singh as Director

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

“RESOLVED THAT Shri R.E. Singh, who was appointed as an Additional Director of the Company in accordance with the Article 181(a) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 (“the Act”) and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

6. Re-appointment of Shri R.K. Aggarwal as Managing Director of the Company.

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 Articles of Association of the Company and Sections 198, 269, 274, 309 and 310 read with Schedule XIII to the Companies Act, 1956 and all other applicable provisions, if any, (including any statutory modification or re-enactment thereof for the time being in force) and further subject to Central Government approval, if required, consent of the Company be and is hereby accorded for re-appointment of

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Shri R.K. Aggarwal, as Managing Director of the Company for a period of 3 years effective from 01.04.12 on the same existing terms and conditions as approved by the Shareholders on 24th July, 2009 as set out here-in-below:

I. REMUNERATION:

Basic Salary : Rs. 1,25,000/- (Rupees One Lakh Twenty Five Thousand only) per month.

Perquisites : Perquisites shall be restricted upto Rs. 15,00,000/-(Rupees Fifteen Lakh only) per annum. Unless the context otherwise requires, perquisites are classified into following three categories:-

Category 'A'

- a. Rent free residential furnished accommodation;
- b. Provision for Gas, Electricity and Water charges;
- c. Reimbursement of medical expenses incurred for self and family upto 5% of basic salary;
- d. Leave Travel Allowance: For self, spouse and dependent children once in a year incurred in accordance with the Rules of the Company.
- e. Club Fee: Club membership fees subject to a maximum of two clubs. This will not include admission and life membership fees.
- f. Personal Accident Insurance & Mediclaim insurance policy: Premium not exceeding Rs. 20,000/- per annum.

Category 'B' : Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

Category 'C': Company maintained car with chauffeur and telephone at residence for business use will not be considered as perquisites;

II. COMMISSION:

In case of adequate profits, the Managing Director be paid as commission, the difference between the remuneration paid as above and 5% of the net profits calculated pursuant to Sections 349 and 350 of the Companies Act, 1956".

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Shri R.K. Aggarwal, the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to amend, vary, alter, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT pursuant to the Article 206 of Articles of Association of the Company, the office of Shri R.K. Aggarwal as Managing Director of the Company shall not be liable to retire by rotation.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one Director of the Company be and is hereby authorised to do all acts, deeds, and things as may be necessary in their absolute discretion deem expedient, proper or desirable and to settle any question, difficulty or doubt that may arise and to sign and execute all necessary documents, applications, returns and writings in this regard."

7. Re-appointment of Shri Rajat Agarwal as Executive Director of the Company.

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

"RESOLVED THAT pursuant to provisions of Articles of Association of the Company and Sections, 198,269,309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and further subject to Central Government approval, if required, consent of the Company be and is hereby accorded for re-appointment of Shri. Rajat Agarwal as the Executive Director of the Company for a period of three years with effect from 01.07.2012 on the same existing terms and conditions as approved by the Shareholders on 1st September, 2010 as set out here-in-below:

Basic Salary: Rs. 2,00,000/- p.m.

Other Perquisites and Allowances:

In addition to the basic salary, the Executive Director shall also be entitled to such facilities, perquisites and allowances, which may include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/or allowances for utilisation of gas, electricity, water, furnishing and repair; medical reimbursement; leave travel concession for self and family including dependents; club fees maximum two clubs; provision for car with chauffeur, medical accidental insurance and such other perquisites, allowances as may be decided by the Board of Directors.

The remuneration payable to Shri Rajat Agarwal, Executive Director, including salary is subject to overall ceiling limit of Rs. 30 Lakh per annum. Further, where in any financial year comprised by the period of appointment, the Company has no profit or its profits are inadequate, the aforesaid remuneration shall be paid to the Executive Director in accordance with the applicable provisions of Schedule XIII of the said Act and subject to the approval of the Central Government, if any required. For the purposes of calculating the above ceiling, the said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any other rules framed there under (including any statutory modification(s) or re-enactments thereof, for the time being in force). In the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. Provision for Car for Company's business and telephone at residence for official purpose shall not be considered as perquisites. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, gratuity payable and encashment of leave, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and bonus.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to amend, vary, alter, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, any one Director

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of the Company be and is hereby authorised to do all acts, deeds, and things as may be necessary in their absolute discretion deem expedient, proper or desirable and to settle any question, difficulty or doubt that may arise and to sign and execute all necessary documents, applications, returns and writings in this regard.”

8. To Note the erosion by more than 50% of the peak Net Worth of the Company and to report the fact to the Shareholders and to Board for Industrial and Financial Reconstruction (BIFR):

To receive and consider the report on the erosion of the Net Worth of the Company as at 30th September, 2012 (18 months period) to the extent of 67.76 % which is more than 50% of the peak Net Worth during the immediately preceding four financial years, as reported under Section 23(1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA 1985) and, if approved, to pass with or without modification(s) the following Resolution as **Special Resolution**:

“**RESOLVED THAT** the report submitted by the Board of Directors on the erosion of Net Worth of the company as at 30th September, 2012 (18 months period) to the extent of 67.76% i.e. more than 50% of the peak Net Worth (Rs.84.19 crore) during the immediately preceding four financial years along with the causes for such erosion and the efforts being made to improve the Net Worth during the current and subsequent financial years, having been duly considered, be and is hereby noted ; and

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do such acts, deeds, matters and things as may be required under Section 23 (1) of SICA and/or other applicable provisions of SICA 1985 and Companies Act, 1956.”

By order of the Board

Place : Mysore
Date : 1st January, 2013

R.K. Aggarwal
Managing Director

NOTES:

1. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the **SPECIAL BUSINESS** to be transacted at the Meeting under Item Nos. 4 to 8 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books will remain closed from **Friday, the 22nd February, 2013 to Monday, the 25th February, 2013** (both days inclusive) for the purpose of Annual General Meeting.
5. Corporate members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising such representative(s) to attend and vote at the Annual General Meeting.
6. Queries proposed to be raised at the Annual General Meeting may be sent to the Company at

its Registered Office at least seven days prior to the date of Annual General Meeting to enable the Management to compile the relevant information to reply the same in the meeting.

7. The Equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) along with the Share Certificates through their Depository Participant (DP) to M/s. Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad -500 081.

8. Any change in particulars including address, bank mandate and nomination of shares held in demat form, should be notified only to their respective Depository Participants (DP) where the members are maintaining their demat account. However, any change in particulars in respect of shares held in physical form should be sent to the Company's Registrar and Share Transfer Agents as mentioned above.

9. UNCLAIMED DIVIDENDS

- a) All the Members and Beneficial Owners who have so far not encashed/claimed the dividends declared for the year 2007-08 are requested to encash/claim the same by corresponding either with the Company Secretary or sending their query to mailmanager@karvy.com quoting the Unit name as "**Bhoruka Aluminium Limited**".
- b) The members who hold the unencashed Dividend Warrants are requested to revalidate by sending the same to the Company Secretary, Bhoruka Aluminium Limited, No.1 KRS Road, Mysore-570 016.
- c) In terms of the Section 205C of the Companies (Amendment) Act, 1999 the dividends which are unclaimed for a period of seven years have to be transferred to "Investor Education and Protection Fund" maintained with Central Government and the Members / Beneficial Owners cannot make any claim for the dividends once the unclaimed dividends are transferred to such fund.
- d) Furnishing of PAN Number for shareholders holding shares in Physical form: SEBI has made it mandatory for every participant in the securities market to furnish the details of Income Tax Permanent Account Number (PAN). Accordingly, the members holding shares in physical form are requested to submit their details of PAN alongwith photo copy of both sides of the PAN CARD duly attested to the Registrar and Share Transfer Agents of the Company mentioned above.

10. **The brief profile of the Directors proposed to be appointed /re-appointed is furnished in the Corporate Governance Report.**

11. Service of documents through E.mail - Details pertaining to the service of documents through E-mails is furnished in Corporate Governance Report, which forms part of the Annual Report.

By order of the Board

Place : Mysore
Date : 1st January, 2013

R.K. Aggarwal
Managing Director

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT (Pursuant to section 173(2) of the Companies Act, 1956)

Item No. 4

The Board of Directors of the Company through a circular resolution passed on 6th July, 2012 with majority of votes, appointed Shri. S.P. Shanthinath as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the requisite deposit proposing the candidature of Shri. S.P. Shanthinath, for the Office of Director of the Company pursuant to Section 257 of the Companies Act, 1956.

Accordingly, the Board recommends the resolution for your approval.

Except Shri S.P.Shanthinath, none of the other directors are concerned or interested in the proposed resolution.

Item No. 5

The Board of Directors of the Company at their meeting held on 26th September, 2012, appointed Shri. R.E. Singh as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 to hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with the requisite deposit proposing the candidature of Shri. R.E. Singh, for the office of Director of the Company pursuant to Section 257 of the Companies Act, 1956.

Accordingly, the Board recommends the resolution for your approval.

Except Shri R.E.Singh, none of the other directors are concerned or interested in the proposed resolution.

Item NO. 6

The Board of Directors of your Company at their meeting held on 29th September, 2012 have, on the recommendation of the Remuneration Committee of the Board and subject to approval of the Members at the ensuing Annual General Meeting, re-appointed Shri R.K.Aggarwal as Managing Director of the Company with effect from 1st April, 2012 for a period of three years.

The information as required under first proviso to sub para (B) of Section II, Part II Schedule XIII to the Companies Act, 1956 is as under:-

I. GENERAL INFORMATION:

1. Nature of Industry: - Non-ferrous – Manufacture of Aluminium Extrusions
2. Date of commencement of commercial operation - The Company started its commercial activities in the year 1981-82
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - Not Applicable

4. Financial Performance : (Rs. In Lakh)

Particulars	Financial Year		
	2011-12 (18 Months)	2010-11	2009-10
Turnover	15,838.96	16,370.80	13,713.05
Profit/(Loss) before tax	(6,206.62)	149.13	106.44
Profit/(Loss) after tax	(6,073.24)	142.94	77.85

5. **Export performance and net foreign exchange collaborations –**

Exports during the year 2011-12 (18 months) was Rs. 241.95 Lakh

6. Foreign investments or Collaboration, if any: -Not Applicable-

II. INFORMATION ABOUT THE APPOINTEE :

Name of the Appointee	Shri R.K.Aggarwal
1. Background details	Shri R.K.Aggarwal, is a Commerce Graduate and MBA from Texas University, Austin, U.S.A.
2. Past Remuneration	Upto Rs.2,50,000/= per month
3. Job Profile and his suitability	Subject to superintendence, direction and control of the Board, the day to day management and administrative affairs of the Company is vested with the Managing Director.
4. Remuneration proposed	As set out in the resolution for the item # 6 of AGM Notice.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)	Shri R.K.Aggarwal is the core founder of the Company and has vast experience in Aluminium Extrusion Industry for almost over three decades. Considering his vast experience and the responsibilities shouldered by him, the aforesaid remuneration package is commensurate with remuneration package paid to managerial position in other Companies.
6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any -	Shri R.K.Aggarwal is related to Shri Rajat Aggarwal, Executive Director of the Company. Except this and the remuneration proposed as above, Shri R.K. Aggarwal does not have any other pecuniary relationship or interest with the Company.

Item No. 7

The Board of Directors of your Company at their meeting held on 29th September, 2012 have, on the recommendation of the Remuneration Committee of the Board and subject to approval of the

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Members at the ensuing Annual General Meeting, re-appointed Shri Rajat Agarwal as Executive Director of the Company with effect from 1st July, 2012 for a period of three years.

III. INFORMATION ABOUT THE APPOINTEE :

Name of the Appointee	Shri Rajat Agarwal
1. Background details	Shri Rajat Agarwal holds a Bachelor of Science Degree in Business Management with dual specialisation in Management and Economics from Bryant University, U.S.A. He was Principal Business Consultant in Measuring Success LL.C. before joining Bhoruka Aluminium Limited.
2. Past Remuneration	Upto Rs.30,00,000/= per annum
3. Job Profile and his suitability	Subject to superintendence, direction and control of the Board, looking after multifarious functions of the Company.
4. Remuneration proposed	As set out in the resolution for the item # 7 of AGM Notice.
5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details with reference to the country of his origin)	Shri Rajat Agarwal possess vast experience, knowledge and expertise skill in Aluminium Extrusion Industry. Considering vast experience and his functions, responsibilities, the aforesaid remuneration package is commensurate with present level of remuneration package being paid to similar managerial positions in comparable Companies.
6. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any -	Shri Rajat Agarwal, Executive Director is related to Shri R.K.Aggarwal, Managing Director of the Company. Except this and the remuneration proposed as above , Shri Rajat Agarwal does not have any other pecuniary relationship or interest with the Company.

IV. OTHER INFORMATION

1. Reasons for loss or inadequate profits	Due to uneconomic conditions, global financial crisis, high input cost, shrinking market demand, squeezed margin and adverse business environment which have all impacted the Company's profitability has been adversely affected.
2. Steps taken or proposed to be taken to improvements	The Company is restructuring its business activities and also various measures are being taken to curtail its operational costs in effective way and market its products to different sectors
3. Expected to increase its productivity and profits in measurable terms	Once the economic conditions improves, the company could achieve sufficient profits in the subsequent financial years.

The Board recommends these resolutions for your approval.

This may be treated as an abstract and Memorandum of concern or interest under Section 302 of the Companies Act, 1956.

None of the Directors except Shri R.K.Aggarwal and Shri Rajat Agarwal are concerned or interested in the proposed resolutions.

Item No. 8

To note the erosion by more than 50% of the peak Net Worth of the Company and to report the fact to the Shareholders and to Board for Industrial and Financial Reconstruction (BIFR):

According to provisions of Section 23 (1) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) if the accumulated losses of industrial company as at the end of any financial year have resulted in erosion of 50% or more of its peak Net Worth during the immediately preceding four financial years the Company shall have to report the fact of such erosion to the Board within a period of 60 days from the date of adoption of the audited accounts of the Company. The Audited Accounts of the Company for the year ended **30.09.2012** (18 months period) is being adopted at this Annual General Meeting on **Monday, the 25th February, 2013**. The Net Worth of the Company as at **30th September 2012** was Rs.26.72 crore and the peak Net Worth [of the **F.Y.2010-11**] during the preceding 4 financial years was Rs.84.19 crore and thus the accumulated losses for the **F.Y.2011-12** (18 months period) of Rs.57.05 crore have resulted into erosion of Net Worth to the extent of 67.76% of the peak Net worth. The causes of such erosion and the efforts being made by the company to improve the same during the current and subsequent financial years are explained in the following paragraphs.

Bhoruka Aluminium Limited an ISO 9002 Company was established in 1979 with a wide range of products catering to the needs of customers worldwide. Foreseeing the vital role that Aluminium would play in the future, the Company has invested in technology and quality assurance, working towards a position of undisputed leadership in Aluminium Extrusion. Our products are used in diverse segments ranging from construction to consumer durables, transport to textiles, irrigation, electrification, Solar and Medical Equipments. We have kept abreast of technological advances being made in all application segments as well as the changing nature of consumer needs. This

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has enabled us to offer quality products meeting exact customer requirements at competitive price and our brand image has been well established in the market.

The global economy has been witnessing extraordinary instability. Government and Corporates across the globe are doing everything possible to reverse trends and bring about new measures to infuse sustainable growth. The year just gone by had witnessed tremendous pressure due to prevailing fiscal and financial uncertainties around the world as well as decelerating growth in major emerging and developing countries. In specific, the Euro Zone is passing through an unprecedented crisis and U.S. economy, though showing some improvement in recent times, still remains sluggish. This global uncertainty, besides the slowdown of reforms process, the rising inflation, continuously tightened monetary policy of rising cost of borrowing, volatility in the exchange rates, squeezed margin, low demand trends, critical levels of fiscal deficits, have all contributed severely affecting our performance.

Besides rise in input costs, petroleum products, cost of energy, labour cost, fluctuation in foreign currency exchange rates and higher interest in commercial borrowings, slowdown caused by the global financial crisis of 2007-09 and the recovery from the economic downturn has been slow, and the company faced a challenging situation in maintaining optimum level of operations for the last 3-4 years. With the heavy investments made in establishing a state of the art facility to remain competitive, the company started facing a severe strain on its working capital and meeting its loan repayment schedule to the creditors. With the slowdown seen in the building and construction segment from late 2011, and other major sectors that consume aluminium extrusions, the scenario started worsening for the company in terms of its financial strength.

In view of recessionary trend worldwide, high input cost, shrinking market demand, squeezed margin, insufficient working capital, adverse business environment, which have all impacted the working results therefore the Company has suffered substantially, and the Company's accumulated losses at the end of the financial year 30th September, 2012 was Rs. 57,05,25,099 and it has incurred cash losses in the current year of Rs 56,02,35,375 and there is no cash losses in the immediately preceding financial year. As a result of such losses the Company is potentially sick and more than 67.76% of net worth has been eroded.

The Management of the Company has already initiated various steps including restructuring of its business activities and the Company is confident about the successful completion of its financial restructuring initiatives.

The Company is positive that the Net Worth would improve during the subsequent financial years due to several business strategies being adopted in the best interest of shareholders and other stakeholders.

None of the Directors are interested in the resolution except the promoters and Directors of the Company to the extent of their respective holdings.

By order of the Board

Place : Mysore
Date : 1st January, 2013

R.K. Aggarwal
Managing Director

DIRECTORS' REPORT

The Board of Directors of your company hereby present the 32nd Annual Report together with the audited statement of accounts for the Eighteen months financial period ended **30th September, 2012**.

1. Review of Financial Results:

The Ministry of Corporate Affairs [MCA] vide Notification No. S.O.447[E] dated February 28, 2011 amended the existing schedule VI to the Companies Act, 1956. The Revised Schedule VI is applicable from financial year commencing from April 1, 2011. The Financial Statements of your Company for the eighteen months financial period ended 30th September 2012 have been prepared in accordance with the Revised Schedule VI and accordingly the previous year's figures have been reclassified/regrouped to conform to this year's Classification. However, current period being of eighteen months, to that extent, previous year figures are not comparable.

The financial statements of the Company are prepared in compliance with the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India and mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI). The Company discloses standalone unaudited financial results on a quarterly and audited financial results on an annual basis.

(Rs.)

Particulars	For the period ended	
	30 th September 2012 (18 months)	31 st March 2011 (12 months)
Revenue from operations	1,583,895,502	1,637,079,598
Profit/(Loss) before Finance charges, depreciation & tax	(95,579,252)	145,060,486
Financial charges	166,497,364	94,408,057
Depreciation	60,426,824	35,739,094
Profit /(Loss) before tax and Execeptional items	(322,503,440)	14,913,335
Add: Exceptional items	298,158,759	-
Profit/(Loss) before tax	(620,662,199)	14,913,335
Taxes for earlier year	1,205,629	73,848
Deferred Tax for earlier years	(14,543,739)	545,008
Profit/(Loss) for the period	(607,324,089)	14,294,479

2. Operations:

The global economy has been witnessing extraordinary instability. Government and Corporates across the globe are doing everything possible to reverse trends and bring about new measures to infuse sustainable growth. The year just gone by had witnessed tremendous pressure due to prevailing fiscal and financial uncertainties around the world as well as decelerating growth in major emerging and developing countries.

Rise in input costs, petroleum products, cost of energy, labour cost, fluctuation in foreign currency exchange rates and higher interest in commercial borrowings, strain on working capital during the 18 months financial period ended under review, the gross turnover of your Company has

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decreased from Rs. 163.71 Crore during the previous year ended 31st March, 2011 (12 months) to Rs.158.39 Crore during the 18 months financial period ended 30th September 2012 consequent to the slowdown caused by the global financial crisis of 2007-09 and the recovery from the economic downturn has been slow, and the company faced a challenging situation in maintaining optimum level of operations for the last 3-4 years. With the slowdown seen in the building and construction segment from late 2011, and other major sectors that consume aluminium extrusions, the scenario started worsening for the company in terms of its financial strength thereby incurring a loss of Rs. 60.73 Crore for the 18 months financial period ended 30th September 2012 as against a Profit of Rs.1.43 Crore in the previous year.

The Company, in order to restructure its business activities, has started exploring the possibility of having a strategic partner with similar business interest, who can leverage the assets and customer base of the company in the best interest of shareholders, investors, other stakeholders and the best interest of the Company and bring the company out of the vicious loss making cycle it currently finds itself in.

3. Non-performing Asset:

The debts of the company was classified as a Non-performing Asset from 31.12.2011 in accordance with the directives relating to asset classification issued by RBI consequent to the default in repayment of principal debt and interest thereon. The Company is taking appropriate measures in consultation with the creditors in reviving this asset classification.

4. Prospects :

The demand for aluminium extrusion is growing mainly because of increase in usage of Aluminium Profiles by all Sectors of Industry in India from Aviation, Defence Establishments, Solar Industry, Electrical and Electronics, Transportation, Industrial and Building and Construction Sectors.

Consumption of Aluminium Extruded products is expected to see continued growth over the next 5 to 10 years with the proportion as a percentage of total aluminium extrusion products projected to rise from 30% presently to 45% to 50% by 2015. It is further expected to increase to 70% over the next 10 years.

The Company's brand is well established in the market and has gained high degree of customer acceptance. Bhoruka Aluminium commands a premium because of its quality products and customers perception about the brand.

5. Subsidiary Company

The Company has incorporated a wholly owned subsidiary company named "Bhoruka Aluminium FZE" on 29th November, 2010 in UAE.

A statement pursuant to Section 212 of the Companies Act, 1956, relating to the subsidiary is attached to the Accounts. In terms of the General Circular No. 2/2011 dated 8.2.2011 issued by Central Government relating to directions under Section 212(8) of the Companies Act, 1956, the Board of Directors of the Company has granted its consent by way of a resolution for not attaching the copy of the Balance Sheet, Profit and Loss Account, Reports of the Board of Directors and Auditors of the subsidiaries with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same.

The annual accounts of the subsidiary company will also be available for inspection during business hours at the Registered Office of the Company. However, as directed by the Central Government, the financial data of the subsidiary have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Further, pursuant to Accounting Standard (AS-21)

issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes financial information of its subsidiary.

6. Share Capital

The paid-up share capital of the Company as on 30th September, 2012 is 54,942,142 equity shares of Rs.10 each as against 26,184,071 equity shares of Rs.10 each as on 31st March, 2011. The increase in the paid-up share capital during the period under review is due to conversion of 12,87,000 Convertible Warrants into equal number of Equity shares of Rs.10 each and allotment of 27,471,071 Equity shares of Rs.10 each as Bonus shares.

7. Corporate Governance Report

We at BHORUKA believe that good and effective Corporate Governance is more of an organizational culture than a mere adherence to rules. Laws alone cannot bring changes and transformation and voluntary compliance both in form and in good substance plays an important role in developing a system of good Corporate Governance.

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI from time to time. With a view to strengthening the Corporate Governance framework, the Ministry of Corporate Affairs has issued a set of Voluntary Guidelines in December 2009 for adoption by the Companies. Your Company already complies with some of the provisions of these Voluntary Guidelines and has initiated appropriate action to comply with other requirements.

The Company is in compliance of all mandatory requirements of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. For the period ended 30th September, 2012 (18 months), the compliance status is provided in the Corporate Governance section of the Annual Report. A certificate issued by the Statutory Auditors of the Company on confirming compliance of the conditions of Corporate Governance stipulated in Clause 49 of the Listing Agreement with the Stock Exchange forms part of this Directors' Report.

8. Management's Discussion and Analysis Report

Management's Discussion and Analysis report for the period under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

9. Depositories

The Company is registered both with the National Securities Depository Limited and Central Depository Services (India) Limited. The overseas depository of the Company is 'The Bank of New York Mellon Corporation'.

10. Directors

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Dr. B.L. Amla, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume of the aforesaid Director and other information has been detailed in the Corporate Governance Section of this report. Your Directors recommend his re-appointment as Director of your Company.

During the year, Shri S.P. Shanthinath and Shri R.E. Singh, have been appointed as an Additional Director of the Company.

Dr. M.K. Panduranga Setty, Chairman and Shri Prabir Chakravarti ceased to be Directors of the Company with effect from 20th March, 2012 and 30th March, 2012 respectively.

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The Board has placed on record its appreciation of the valuable contribution made by them to the Company.

11. Directors' Responsibility Statement:

Pursuant to sub-section (2AA) of Section 217 of the Companies, Act, 1956, the Board of Directors of the company hereby state and confirm that:

- i) in the preparation of the Annual Accounts for the 18 months period ended 30th September, 2012 the applicable accounting standards have been followed and there are no material departures from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 30th September, 2012 and of the LOSS of the company for the 18 months period ended on that date;
- iii) the Directors 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 ; and
- iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis;

12. Public Deposits:

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

13. Auditors

M/s. R.S. Agarwala & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received letter from them to the effect that their appointment , if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act.

14. Auditors' Observation:

Please Refer Para (i) (ii), 3 (a) (b) (c) and 9(a) (b) and 10 of Annexure to Auditors Report
Management's reply:

- (i) Non-provision of interest on secured loan:

This is due to the debts of the company which were classified as NPA as on 31st December, 2011, hence the Company could not make any provision of interest for the same.

- (ii) Non-provision of interest on Unsecured Loan, L.C. Credit on material purchase and interest on credit on material.

In view of severe financial constraint, the Company has not made any provision for payment of interest on unsecured loan. The parties have agreed and requested for payment of principal amount. The Company is in the process of repayment of the principal amount as and when the fund is available.

As the credit note has been received from the suppliers during the month of October 2012 hence the company could not make any provision of interest on L.C. Credit on material purchase and interest on credit on material during this current 18 months period ended 30th September, 2012.

3 (a) and (b) Interest free loan

The company has certain transactions with associate companies that have been classified as interest free loans based on recommendation of experts. The company is in the process of recovering and/or re-categorizing these dues that will support the company in its long term strategy.

3 (c) Interest free loan from Director

Consequent to financial constraint, the company has obtained an interest free loan from one of the Directors of the Company and since the same has been repaid, there is no outstanding as on 30th September, 2012.

9 (a) Accumulated losses, Cash losses

The Company continues to be adversely impacted of high input cost, shrinking of market demand, squeezed margin, insufficient working capital and adverse business environment, which have all impacted the working results. Therefore, the Company has accumulated losses and incurred cash losses.

(b) Sick Industrial Company

In view of accumulated losses and cash losses incurred by the Company at the eighteen months Financial period ended 30.09.2012, the Company has become a potentially Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company is in process of making reference to the Board for Industrial and Financial Reconstruction (BIFR) in accordance with the provisions of Section 23(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

10. Default in Repayment of dues:

The default in repayment of dues to the Bank was due to adverse economic conditions affecting demand and liquidity. To tide over the situation, the Company has made an application to the bank for reschedulement of the loan. However, the Bank has declared the Company as Non-Performing Asset (NPA) from 31st December, 2011.

15. Sick Industrial Company

At the Eighteen months Financial period ended 30.09.2012, the Company has become a Potentially Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company is in process of making reference to the Board for Industrial and Financial Reconstruction (BIFR) in accordance with the provisions of Section 23(1) of the Sick Industrial Companies (Special Provisions) Act, 1985. Hence, a Special Resolution has been incorporated in the Notice convening the Annual General Meeting for noting by the Members of the Company.

16. Cost Auditors

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and on the recommendation of the Audit Committee, Shri K. Gururaja Rao, Practicing Cost Accountant has been appointed as Cost Auditor of the Company to conduct audit of the cost accounts of the Company for the six months financial period ending 31st March, 2013.

17. Corporate Social Responsibilities (CSR)

Responsible corporate citizenship has been a part of your Company's core values and the driving force for many of its initiative. Bhoruka believes that responsible investments in this regard will generate long term value for all its stakeholders.

As a concerned Corporate Citizen, your Company believes that CSR initiatives are a way to pay

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back societal debt and obligations. Your Company does not see CSR as a Charity; not even as a responsibility, but as an opportunity to change and your Company's activities are determined by the concept of Changing Lives. Your Company is constantly endeavored to improve the quality of life of the communities and to bridge the gaps in society and help transform communities around the workplace. We believe that:

"The brands that will be big in the future will be those that tap into the social changes that are taking place".

18. Particulars of Employees

As per the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended, no employees were in receipt of remuneration exceeding the limits as prescribed under that section and hence your directors has nothing to report in this regard.

19. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo u/S 217(1)(e) of the Companies Act, 1956:

The particulars relating to energy conservation, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 as amended are provided in Annexure - I and is attached to this Report.

20. Extension of Financial Year

The Registrar of Companies, Karnataka, Bangalore vide their Order dated 22nd March, 2012 has granted extension of six months in accounting year permitting the Company to prepare the accounts as at 30th September, 2012 (18 months) instead of 31st March, 2012 .

21. Extension of time for holding AGM

The Registrar of Companies, Karnataka, Bangalore, vide letter dated 20th November, 2012, has granted extension of 2 months 5 days to the Company for holding its Annual General Meeting from 23rd December, 2012. Accordingly, the Company is required to hold the Annual General Meeting on or before 28th February, 2013.

22. Personnel

The relationship with employees continued to be cordial throughout the year. Employees at all levels demonstrated a huge degree of commitment, support and hard work during tough and challenging times.

It will be our endeavor to work as a team and deliver better quality products consistently and at the same time keep a vigilant eye on costs.

23. Acknowledgement

Your Directors would like to express their sincere thanks to bankers, customers, vendors, shareholders, Government authorities both Central and State and other stakeholders for their continued support to the Company.

The Board would also record its sincere appreciation of the commitment and contribution made by all employees of the Company.

For and on behalf of the Board

Place : Mysore
Date : 1st January, 2013

Dr. B.L. Amla
Chairman

ANNEXURE I

The particulars as prescribed under sub-section (1) (e) of Section 217 of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

FORM A

CONSERVATION OF ENERGY:

- a) **Energy conservation measures taken by the Company:**
Efforts are taken on continuous basis for conservation of energy and minimize energy cost at all levels as per the past experience.
- b) Monitoring the overall energy consumption, by reducing losses and improving efficiency.
- c) Maximum demand of electricity is being reduced by evenly distributing the loads throughout the day and increasing efficiency of plants and machineries.
- d) Additional Investment Proposals:
Not quantifiable since expenditure are incurred normally through the system of maintenance and improvement and the Company takes necessary steps for investments in energy saving devices from time to time.
- e) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of goods:
 - i) Per unit of Energy consumption has been increased from Rs.5.28 to Rs.5.93 due to increase in the prices of Diesel. However, company has taken steps to reduce the consumption of diesel.
 - ii) Rejection has gone down substantially due to improvement in quality of products.
- f) Your Company is always in look out for innovative and efficient energy conservation technologies and applies them prudently.

A. POWER AND FUEL CONSUMPTION:

Particulars	30 th Sept., 2012 (18 months)	31 st March, 2011 (12 months)
1. Electricity:		
a. Purchased:		
Karnataka Power Transmission Corporation Ltd. Units (KWH)	11,394,460	11,568,240
Total Amount (Rs.) (Inclusive of Demand Charges and Surcharge)	67,523,511	61,098,390
Rate per Unit (Rs.)	5.93	5.28
b. Own Generation:		
i. Through Diesel generation Units (KWH)	116,991	385,218
Unit per litre of Diesel Oil	3.22	2.96
Cost per Unit (Rs.)	13.48	13.72
ii. Through Stream Turbine/Generator	Nil	Nil
c. Others - purchased (KWH)	Nil	Nil
Rate per Unit (Rs.)	Nil	Nil
2. Coal (Specify quality and Where used)	Nil	Nil
3. Furnace Oil		
Quantity (Kgs)	612,881	597,995
Total Amount (Rs.)	25,714,396	17,732,660
Average rate (per Kg.) (Rs.)	41.96	29.65
4. Others ñ Internal Generation	Nil	Nil
B. CONSUMPTION PER UNIT OF PRODUCTION		
Products – Aluminium Extrusion		
Production (M.Tons)	7,503	8,636
Electricity units/M. T.	1,534	1,351
Furnace Oil Kgs/MT	81.68	69.03
Coal (Specify quality)	Nil	Nil
Others (Specify)	Nil	Nil

FORM B

FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF TECHNOLOGY ABSORPTION:

a. RESEARCH AND DEVELOPMENT (R & D)

1) Specific areas in which R & D carried out by the Company:

The Company is developing and introducing various new sizes, designs and pattern of Aluminium extrusions under its continuous R & D programs as per changing marketing needs.

Development of new products and processes related to extrusion.

Upgradation of products and processes to reduce environment and safety concerns

Value engineering and improving formulation efficiency of existing products.

2) Benefits derived as a result

Quality of products of the Company has Improved and showed marked improvement in its desired properties.

Process improvements being continued for improving productivity and energy efficiencies

Improvement in quality and environment

R & D activities resulted into development of new designs and product and also acceptability of the product in the market.

3) Future plan of action:

Efforts are put forth on continuous basis to improve R & D activity for achieving product quality, productivity and yield.

To enhance technical capabilities to sustain its competitive position in the market

Introduction of more process control and detailed quality control as well as cost reduction techniques.

4) Expenditure on R & D

The Company does not account for R & D expenses separately but treat them as revenue expenses and accounts in respective head of revenue accounts. There was no capital expenditure incurred during the year under review.

b. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

(i) Efforts in brief made towards technology absorption, adaptation and innovation.

As per 1 above

(ii) Benefits derived as a result of above efforts:

As per 2 above

The Company has not imported any technology.

FORM C

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs.)

Particulars	30 th Sept., 2012 (18 months)	31 st March, 2011 (12 months)
a. Foreign Exchange Earnings	24,195,644	13,505,259
b. Foreign Exchange Outgo	33,355,287	53,489,998

For and on behalf of the Board

Place : Mysore

Date : 1st January, 2013

Dr. B.L. Amla

Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE:

The year just gone by had witnessed tremendous pressure due to prevailing fiscal and financial uncertainties around the world as well as decelerating growth in major emerging and developing countries. The crisis and trouble in Euro Zone does not yet seem to be over and still remain as the key risk to global financial stability. Slump in commodity prices in emerging market economy and a sudden reversal in their inward capital flows, elevated inflationary pressure in developing economies, dampening business and consumer confidence etc. which has proved to be more vulnerable to global growth forecast.

The Company is primarily engaged in aluminium extrusion business, having three state of art press, with installed capacity of 25000 M.T. per annum and also the Company has its own in-house powder coating and anodizing unit, which makes value addition to mill finish products.

In spite of high inflation, rising input cost, higher interest on borrowings, squeezed demand, strain on working capital, the Company could sale 7784 M.T. during the period ended 30th September, 2012 (18 months) as compared to 8581 M.T in the previous year ended 31st March, 2011 (12 months).

The domestic primary aluminium industry is around 5% of the Global Aluminium Industry. The Indian Aluminium Extrusion in India is likely to see a high double digit growth in the next few years.

B. OPPORTUNITIES

The Indian aluminum extrusions market has an installed capacity of about 4,00,000 Metric Tonnes (MT) per annum which is likely to see a double digit growth over the next few years due to robust demand from all its consumer segments, more particularly from real estate sector, power and electrical, telecom, aviation, automobiles and also future growth will come largely from the Solar Industry and Industrial Sector. The building and construction industry is the major consumer of aluminium extrusions in India.

With a sharp increase in capacity over 2012-13, India will start massive export of aluminium extrusion. The country could be an annual exporter of 2 million tonnes of the metal by 2013, assuming the planned capacity expansions of Aluminium Extrusions Industry become operational as currently envisaged.

The demand from the construction sector is expected for the infrastructure development will pull the demand of overall sector to grow at 9.3 percent globally.

C. THREATS

Fluctuation in aluminium raw material prices, foreign currency exchange rates, supply of aluminium ingots by few large manufacturers in the domestic market are some of the threats. These suppliers thriving unwarranted import tariff, adjust the domestic prices frequently, causing hardship to consumers besides sub-standard, low quality aluminium extruded products being dumped by neighbouring countries. Further, the Industry is highly fragmented with many players in India.

D. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has internal control system commensurate with its size and nature of business, to ensure that all assets are safeguarded and protected against unauthorised use and that all

transactions are authorised, recorded and correctly reported. The internal control systems are supplemented by clearly defined levels of authority, policy, guidelines and procedures. A firm of well experienced Chartered Accountants who regularly conduct quarterly internal audit and advise the management whenever requirement arises. The management duly considers and takes appropriate action on the recommendations made by the internal auditors and the independent Audit Committee of the Board of Directors.

E OVER VIEW ON FINANCIAL PERFORMANCE

1. Share Capital

Our Authorised Share Capital is Rs. 56,00,00,000/- divided into 5,60,00,000 Equity Shares of Rs.10 each (including Share Capital of Rs.1,00,00,000/- of Bhoruka Agro Greens Ltd. consequent to Amalgamation).

The Company has issued and allotted 17,17,222 Convertible Warrants to promoters on preferential basis on 14.12.2010, out of that 4,30,222 equity warrants has been converted on 14.12.2010 and the remaining balance 12,87,000 Convertible Warrants has been converted into equal number of Equity shares of Rs.10/- each on 26th August, 2011 and further 2,74,71,071 Equity Shares of Rs.10 each allotted as Bonus Shares.

The Company has issued and allotted 1,12,26,280 Equity shares of Rs. 10 each underlying 11,22,628 Global Depository Receipts at a price USD 9.25 per GDR (1 GDR = 10 Equity shares of Rs.10 each) during the year 2010. The Outstanding GDR as on 30.09.2012 represent 29,20,000 Equity shares of the Company.

The issued, subscribed and paid up capital as at 30th September, 2012 was Rs. 54.94 Crore.

2. Operational Results

The turnover for the period ended 30th September, 2012 (18 months) stood at Rs. 158.39 Crore as compared to Rs.163.71 Crore in the preceding year 31st March, 2011 (12 months). The period ended with a loss of Rs. 60.73 Crore as against a net profit of Rs. 1.43 Crore in the preceding year.

F INDUSTRIAL RELATIONS AND HUMAN RESOURCE DEVELOPMENT

Employees are our vital and more valuable assets. The Company has created a favourable work environment that encourages innovations and meritocracy. Employees are encouraged to take on new roles and expand their horizons. The Company's benchmark processes and system around are Performance Management, Rewards and Recognitions, Competency and Capability Building, Succession, Planning etc. among others.

The Industrial relations continued to remain excellent and cordial at all levels during the period.

G CAUTIONARY STATEMENT

Statement in the Management Discussion and Analysis report describing the Company's objectives, estimates expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operations and prices, demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT FOR EIGHTEEN MONTHS FINANCIAL PERIOD ENDED 30TH SEPTEMBER, 2012.

Corporate governance refers broadly to the rules, processes, or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well as to formal laws. Corporate Governance is also a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency and fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. Bhoruka Aluminium Limited believes in adopting the best practices' that are followed in the area of Corporate Governance across various geographies and continues to focus on good Corporate Governance.

1. COMPANY'S PHILOSOPHY

Bhoruka Aluminium Limited's philosophy envisages transparency, integrity and accountability of the management team. The Company continues to focus its efforts for protecting the interest of stakeholders. Stakeholders would include everyone ranging from the board of directors, management, shareholders to customers, employees and society at large. Bhoruka's philosophy includes to constantly achieve business excellence and optimize long term value through ethical business conduct.

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board comprises of six Directors of which three are Non-Executive and Independent Directors. The Chairman is also Non-Executive and independent Director.

a) Board Composition as on 30th September, 2012

Sl.No.	Name of the Director	Category
1	Dr. B.L. Amla	Non-Executive Chairman
2	Shri S.P. Shanthinath	Non-Executive Director
3	Shri R.E. Singh	Non-Executive Director
4	Shri R.K. Aggarwal	Managing Director
5	Shri Rajat Agarwal	Executive Director
6	Shri Akilesh Kumar Pandey	Wholetime Director

b) During the eighteen months financial period ended 30th September, 2012 ten meetings of the Board of Directors were held viz. 5th May, 2011, 14th August, 2011, 26th August, 2011, 18th October, 2011, 12th November, 2011, 8th February, 2012, 15th May, 2012, 11th August, 2012, 26th September, 2012 and 29th September, 2012.

c) Number of Board Meetings held and the attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorship and Chairmanship/

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Membership of Committee of each Director in various companies are as under:

Sl. No.	Name of the Director	No. of Meetings held	Attendance Particulars		No. of other Directorships (excluding Directorship in Pvt Company)	Committee Membership held in other Companies	
			Board Meetings	Last AGM		As Member	As Chairman
1.	Dr. B.L. Amla	10	10	Yes	-Nil-	-Nil-	-Nil-
2	Shri S.P. Shanthinath *	10	3	N.A.	-NiL-	-Nil-	-Nil-
3	Shri R.E. Singh*	10	1	N.A.	-NiL	-NiL	-Nil-
4	Shri R.K. Aggarwal	10	10	Yes	1	-Nil-	-Nil-
5	Shri Rajat Agarwal	10	10	Yes	-Nil-	- Nil-	-Nil-
6	Shri Akilesh Kumar Pandey	10	10	Yes	-NiL-	-NiL-	-Nil-
7	Dr. M.K.Panduranga Setty**	10	5	Yes	4	1	-Nil-
8	Shri Prabir Chakravarti **	10	5	Yes	9	10	-Nil-

* Appointed as additional Director on 06.07.12

* Appointed as additional director on 26.09.12

** Dr.M.K.Panduranga Setty and Shri Prabir Chakravarti ceased to be Directors on 20.03.12 and 30.03.12 respectively.

As mandated by Clause 49, the Independent Directors on Bhoruka's Board:

- Apart from receiving Director's sitting fees, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior Management, its subsidiaries and associates, which may affect independence of the Director;
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- Have not been an executive of the Company in the immediately preceding three financial years;
- Are not partners or executives, or were not partners or executives during the preceding three years of any of the following:
 - Statutory audit firm or the internal audit firm those are associated with the Company, and
 - Legal firm(s) and consulting firm(s) that have a material association with the Company;
 - Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director;
 - Are not substantial shareholders of the Company i.e. owning two per cent or more of the block of voting shares;
 - Are not less than 21 years of age.

d) Information provided to the Board

The Board has complete access to all information with the Company. The information is provided to the Board on regular basis and the agenda papers for the meetings are circulated in advance of each meetings. The information supplied to the Board includes

- Annual Operation Plan and Budgets
- Quarterly, half yearly and yearly results of the company
- Minutes of the meeting of the Board, Audit Committees and other Committees of the Board.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Statement on compliance with code of conduct.
- Details of transactions with Related Parties.
- Details of Inter Corporate Loans, Investments and Guarantees made/ given by the Company.

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company.

e) Appointment / Reappointment of Directors

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting (in pursuance of Clause 49 (IV) (G) of the Listing Agreement)

Name of the Director	Dr. B.L. Amla	S.P. Shanthinath	R.E. Singh	R.K. Aggarwal	Rajat Agarwal
Age	81 Years	62 Years	63 Years	57 Years	30 Years
Date of appointment	28.06.1991	06.07.2012	26.09.2012	01.04.2012	01.07.2012
Qualification	M.S., Ph.D	B.Sc., PGDMM	B.Sc., LL.B.	B.Com., MBA T e x a s University, Austin, U.S.A.	B.Sc., Eco- nomics and Management from Brayant Univer-sity, U.S.A.
Profile	Dr.B.L.Amla is M.S. from C o r n e l l University, Ithaca, New York and has done Ph.D. with specialisation in Food Technology, Dairy Technology, Food Engineering, Nutrition from University of	Shri S.P.Shanthinath has had an brilliant academic career. He has wide knowledge and experience of over three decades in commercial and industrial field.	Shri R.E.Singh is a Graduate in Science b e s i d e s graduate in Law. He has over four decades of experience in commercial, marketing and b u s i n e s s consultancy.	Shri R.K. Aggarwal is the core founder of the Company and has vast experience in Aluminium Extrusion Industry for almost over three decades. He is known for his entrepreneurship,	Shri Rajat A g a r w a l possess vast experience, knowledge and expertise skill in Aluminium Extrusion Industry. He was Principal Business Consultant in Measuring Success LL.C USA before

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	Massachusetts, USA. He worked in Central Food Technological Research Institute (CFTRI) Mysore as Director. He also served as Senior Advisor (Food and Technologist) for World Bank, Washington D.C. from 1978-1982. He has been honoured by Prof. V. Subramanyan Industrial Achievement Award, Doctorate Degree of Science from Mangalore University and Karnataka Rajyotsava Award from Government of Karnataka.	He served in various capacities with reputed companies in India.	He served in various capacities with the organisation of repute.	ethics and leadership in business management.	joining Bhoruka Aluminium Limited
No. of Companies (Others) in which he holds Directorship	NIL	NIL	NIL	He holds Directorship in TCI Industries Limited	NIL
Membership held in Committees of other companies	NIL	NIL	NIL	NIL	NIL
Shareholding in the Company (No. & %)	NIL	200 (0.0003%)	NIL	36,58,282 (6.66%)	24,88,000 (4.53%)

COMMITTEES OF THE BOARD

3. AUDIT COMMITTEE

The role of the Audit Committee includes:

- a. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect true and fair view.
- b. Recommendation of appointment and removal of external auditor/internal auditor(s) and fixation of their remuneration.
- c. Review of financial statements before submission to the Board.
- d. Review with the management, and appointment of external and internal auditors, and the adequacy of internal control systems.
- e. Review the adequacy of internal audit functions, including the structure of the internal audit department.
- f. Discussion with internal auditors on any significant findings and follow up thereon.
- g. Review the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussion with external auditors before the audit commences, the nature and the scope of audit as well as to have post audit discussion.
- i. Review the Company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, stakeholders (in case of non - payment of declared dividends) and creditors.

Composition of the Audit Committee:

SI No.	Name of the Director	Title	Status
1.	Dr. B.L. Amla	Chairman	Independent and Non-Executive Directors
2.	Shri S.P. Shanthinath	Member	
3.	Shri R.E. Singh	Member	
4.	Shri R.K. Aggarwal	Member	Managing Director

During the eighteen months financial period ended 30.09.12, six meetings of the Audit Committee were held viz on 5th May, 2011, 14th August, 2011, 12th November, 2011, 8th February, 2012, 15th May, 2012 and 11th August, 2012.

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Attendance of the Committee Members:

Name of the Member	*Dr. M. K. Panduranga Setty	Dr. B.L. Amla	*Shri Prabir Chakravarti	Shri R.K. Aggarwal	*Shri S.P. Shanthinath	*Shri R.E. Singh
Number of meetings held	6	6	6	6	6	6
Meetings present	4	6	4	6	1	-

* Dr.M.K.Panduranga Setty and Shri Prabir Chakravarti ceased to be Directors on 20.03.12 and 30.03.12 respectively

* Shri S.P.Shanthinath and Shri R.E.Singh has been appointed as Additional Directors on 6.07.12 and 26.09.12 respectively

4. REMUNERATION COMMITTEE

Composition of the Remuneration Committee:

Sl. No.	Name of the Director	Title	Status
1.	Shri S.P. Shanthinath	Chairman	Independent and Non-Executive Directors
2.	Shri R.E. Singh	Member	
3.	Dr.B.L. Amla	Member	

During the eighteen months financial period under review one meeting of the Remuneration Committee was held on 29th September, 2012 and all the three members attended the meeting.

Details of the Remuneration paid to the Directors as on 30.09.12 (18 months period)

(Amount Rs)

Name of Director	Position	Salary	Contribution to P.F	Perks and Allowance
Shri R.K. Aggarwal	Managing Director	36,00,000	2,70,000	4,84,670
Shri Rajat Agarwal	Executive Director	36,00,000	4,32,000	68,754
Shri Akhilesh Kumar Pandey	Wholetime Director	8,28,000	43,200	1,21,374

The appointment is terminable by either party giving the other six months notice in writing without assigning any reason and without liability to pay any compensation.

Sitting fees paid to Non-Executive Directors as on 30.09.12 (18 months period)

Sl.No.	Name of the Director	Rs.
1	Dr.M.K. Panduranga Setty	1,60,000
2	Shri Prabir Chakravarti	1,60,000
3	Dr.B.L. Amla	2,40,000
4	Shri S.P. Shanthinath	10,000
5	Shri R.E. Singh	-

5. SHAREHOLDERS GRIEVANCE COMMITTEE

Composition of the Shareholders Grievance Committee

Sl. No.	Name of the Director	Title	Status
1.	Dr. B.L.Amla	Chairman	Independent and Non Executive Directors
2.	Shri R.E.Singh	Member	
3.	Shri R.K. Aggarwal	Member	Managing Director

Role of the Committee is to redress the complaints relating to transfer, transmission of shares, complaints relating to the non-receipt of dividend and related matters. Normally the grievances are resolved within a period of 8-10 days keeping the complaints as minimum as possible. This Committee has not met during the financial year, as there were no complaints received during the year except;

- general enquiry about conversion of physical shares into demat, change of address;
 - issue of demand drafts in lieu of the stale dividend warrants.
 - non-receipt of dividend warrants
- and the same has been redressed immediately.

6. COMPOSITION OF BOARD COMMITTEE:

Sl. No.	Name of the Director	Title	Status
1.	Dr. B.L.Amla	Chairman	Independent and Non-Executive Director
2.	Shri R.K. Aggarwal	Member	Managing Director
3.	Shri Akhilesh Kumar Pandey	Member	Wholetime Director

7. COMPLIANCE OFFICER:

Shri Pranab Panigrahi was the Compliance Officer upto 31.05.2012. Consequent to his resignation, Shri R.K.Aggarwal, Managing Director is the Compliance Officer till the Company Secretary is appointed. The Company is in the process of appointing Company Secretary in due course.

8. SUBSIDIARY COMPANY

The Company has incorporated a wholly owned subsidiary company named " Bhoruka Aluminium FZE" Sharjah, UAE on 29th November, 2010. However, the Company do not fall under the norms prescribed in Clause 49 of the Listing Agreement for "**Material non-listed Indian Subsidiaries**" as on 30th September, 2012 (financial year 18 months period). The Minutes of Subsidiary Company are placed before the Board regularly.

9. CODE OF BUSINESS CONDUCT AND ETHICS FOR THE BOARD MEMBERS AND THE SENIOR MANAGEMENT PERSONNEL

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Board Members and the Senior Management Personnel. This Code is available on the Company's website www.bhorukaaluminium.com.

The Company has obtained from all the members of the Board and the Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics during the financial year 30th September, 2012 (18 months period). A declaration signed by the CEO to this effect is enclosed at the end of this report.

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10. GENERAL BODY MEETINGS

Date, Venue and time of the last three Annual General Meetings

Financial year	Date & Time	Venue	No. of special resolutions passed
2008-09	24 th July, 2009 At 11.30 a.m.	Golden Landmark Resort # 45/A, KRS Road, Metagalli, Mysore-570 016	Two
2009-10	1 st September, 2010 At 11.45 a.m.	Registered Office # 1, KRS Road, Metagalli, Mysore – 570 016	Three
2010-11	24 th September, 2011 At 11.30 a.m.	Registered Office # 1, KRS Road, Metagalli, Mysore – 570 016	Four

11. SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY DURING THE PRECEDING THREE ANNUAL GENERAL MEETINGS :

Financial Year	Date of AGM	Subject matter of Special Resolutions
2008-09	24 th July, 2009	1) To amend the Clause 15 of existing Articles of Association pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, relating to revised sitting fees payable to Non-Executive Directors in terms of Section 310 of the Companies Act, 1956. 2) To re-appoint Shri R.K. Aggarwal as Managing Director of the Company for a period of 3 years effective from May 01, 2009 to April 30, 2012.
2009-10	1 st September, 2010	1) To approve the remuneration payable to Shri Rajat Agarwal, Executive Director of the Company 2) To alter the Capital Clause in Memorandum of Association of the Company 3) To issue of new securities under section 81(1A) of the Companies Act, 1956
2010-11	24 th September, 2011	1) Appointment of Shri Akhilesh Kumar Pandey as Wholetime Director of the Company pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956. 2) To issue new securities under Section 81(1A) of the Companies Act, 1956 3) Adoption of new set of Articles of Association in place of existing Articles of Association pursuant to Section 31 of the Companies Act, 1956 4) Issue and Allotment of Bonus shares pursuant to the applicable provisions of the Companies Act 1956, Articles of Association and subject to SEBI (Issue of Capital and Disclosure) Regulations, 2009.

No special resolution on matters requiring postal ballot is placed for shareholders approval at this ensuing Annual General Meeting.

11. DISCLOSURES

Disclosure by the Management to the Board on materially significant related party transactions that may have potential conflict with the interests of the Company at large:

There are no materially significant related party transactions i.e. transactions of the company of material nature with its promoters, directors and their relatives etc., that would have potential conflict with the interest of the Company at large. However, the disclosures as required under Accounting Standard -18 are provided in the notes on accounts.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets:

No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the period under review.

Whistle blower policy and affirmation that no personnel has denied access to the audit committee:

The Board of Directors affirms and confirms that no personnel have been denied access to the Audit Committee. However, a formal whistle blower policy is not in place.

Details of compliance with mandatory requirements and adoption of non-mandatory requirements of clause 49:

The Company has duly complied with the mandatory requirements of Clause 49 of the Listing Agreement, the Auditors Certificate on Corporate Governance is given as Annexure. The status of the compliance with the non mandatory requirements of this clause has been detailed hereof.

Accounting treatment in preparation of financial statements:

The financial statements of the Company are prepared in compliance with the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India and mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI). The Company discloses standalone unaudited financial results on a quarterly and audited financial results on an annual basis.

Internal Audit functions and Statutory Compliances:

- i) Internal Audit functions of the Company have been carried out by a firm of Chartered Accountants. The Reports of the Internal Auditors' on the operations and financial transactions and the management action taken report on the internal auditors' observations are being circulated to the Audit Committee for its review.
- ii) For every quarter, the CEO/CFO makes report on Statutory Compliances which are placed before the Board Meeting.
- iii) **CEO / CFO Certification**

In the absence of CFO who has resigned on 03.09.2012, the Managing Director has certified to the Board in accordance with Clause 49(V) of the Listing Agreement, as amended, for the financial period ended 30th September, 2012 (18 months).

- iv) **Legal Compliance Reporting:** The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations

12. MEANS OF COMMUNICATION

The Company's Financial Results have been submitted to the Stock Exchange immediately after they are approved by the Board and the same are available on the website of those exchanges. These Financial Results were normally published in Business Line and Sanjevani. Further, the same have been posted on the Company's website www.bhorukaaluminium.com

Annual Report: Annual Report of the Company containing, inter-alia, Audited Standalone Financial Statements, Consolidated Financial Statements, Directors' Report, Report on Corporate Governance, Auditors Report and other important information is circulated to the members and others entitled thereto for each financial year. The Management Discussion and Analysis Report forms part of the Annual Report.

Webcasting: Bhoruka's quarterly results presentations are webcast.

Website: The Company's website www.bhorukaaluminium.com contains a separate section 'Investors' for use of investors. The quarterly, half yearly and annual financial results, official news releases are promptly and prominently displayed on the website. Annual Reports, Shareholding Pattern and other Corporate Communications made to the Stock Exchange are also available on the website.

13. GENERAL INFORMATION TO SHAREHOLDERS

(a) Compliance of Insider Trading Norms

The Company has adopted the Code of internal control procedures and conduct for listed Companies notified by the Securities Exchange Board of India (SEBI), prohibiting the Insider Trading. A policy document on internal Code of Conduct is available at the Registered Office of the Company. Insiders are complying with the code of conduct adopted by the Company from time to time wherever applicable.

(b) Annual General Meeting

As indicated in the notice to our shareholders, the 32nd Annual General Meeting of the Company will be held on Monday, the 25th February, 2013 at 11:30 a.m., at the Registered Office of the Company at # 1 KRS Road, Metagalli, Mysore-570 016.

(c) Financial Calendar 2012-13 (Tentative)

First Quarter results	By Second week of February, 2013
Annual Results for the year ending 31 st March, 2013	By the end of May, 2013

(d) Date of Book Closure:

From Friday, the 22nd February, 2013 to Monday, the 25th February, 2013 (both days inclusive)

(e) Unclaimed/ Undelivered Share Certificates

As per the provisions of clause 5A of the Listing Agreement, the unclaimed shares lying in the possession of the Company are required to be dematerialized and transferred into a special demat account held by the Company.

There were no unclaimed /undelivered Share Certificates during the eighteen months financial period ended 30.09.2012.

(f) Listing of Securities:

Company's shares are listed and traded with Bombay Stock Exchange Limited (BSE). Annual Listing fee for the year 2012-13 has been paid to the Stock Exchange. The Custodian fees for both the depositories have also been paid for the year 2012-2013.

Scrip Code: BSE: 506027

Company's ISIN number is INE 866G01013

(g) Service of documents through Email

Ministry of Corporate Affairs ("MCA") has vide its Circular No.17 dated 21.4.2011 & Circular No. 18 dated 29.04.2011, undertaken a "Green initiative in the Corporate Governance" by allowing service of documents on members by a Company through electronic mode.

Accordingly, the Company proposes to send documents like Shareholders Meeting Notice/ other notices, audited financial statements, directors' report, auditors' report or any other document, to its members in electronic form at the email address provided by them and/or made available to the Company by their Depositories. This will definitely help in prompt receipt of communication, reduce paper consumption and save trees as well as avoid loss of documents in transit.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated either with their Depositories or by writing to the Company or Registrars and Share Transfer Agents M/s. Karvy Computershare Pvt. Ltd. Hyderabad.

The members who hold shares in physical form are requested to intimate /update their e-mail address to the Registrars and Share Transfer Agents M/s.Karvy Computershare Private Limited, Hyderabad.

(h) Stock Prices Data

The details of monthly High & Low quotations on Bombay Stock Exchange during the financial period ended 30th September, 2012 (18 months) are as under:-

Year 2011-12 (18 months)		Quotation (Rs)	
Month		High	Low
April	2011	33.00	27.95
May	2011	33.00	26.00
June	2011	35.85	25.55
July	2011	41.20	25.00
August	2011	31.95	14.20
September	2011	18.10	9.45
October	2011	10.96	3.37
November	2011	3.53	2.00
December	2011	2.87	2.11
January	2012	3.30	2.30
February	2012	4.03	2.77
March	2012	3.45	2.56
April	2012	3.14	2.52
May	2012	2.67	1.77
June	2012	3.26	1.38
July	2012	1.59	1.11
August	2012	1.28	1.04
September	2012	1.39	1.04

(i) Distribution of Shareholding

The shareholding distribution of equity shares as on 30th September 2012 (18 months period)

Share Holding Range(s)		Folios		Equity Shares Held	
From	To	Number	Percentage	Number	Percentage
1	5000	5,057	63.96	9,21,474	1.68
5001	10,000	854	10.8	7,38,603	1.34
10,001	20,000	624	7.89	10,82,460	1.97
20,001	30,000	260	3.29	6,92,182	1.26
30,001	40,000	176	2.23	6,63,011	1.21
40,001	50,000	161	2.04	7,77,241	1.42
50,001	1,00,000	324	4.09	25,45,497	4.63
1,00,001	and above	451	5.7	4,75,21,674	86.49
	Total	7,907	100.00	5,49,42,142	100.00

(j) Shareholding Pattern as on 30th September, 2012 (18 months period)

Category	Number of shares held	Percentage of Shareholding (%)
Promoter and Promoter Group	1,85,51,538	33.77
Mutual Funds/UTI	0	0
Financial Institutions/Banks	0	0
Venture Capital Funds	0	0
Insurance Companies	0	0
Foreign Institutional Investors	21,58,125	3.93
Bodies Corporate	1,01,52,017	18.48
Individuals	2,06,54,838	37.59
NRIs	3,20,885	0.58
Clearing Members	1,84,739	0.34
GDRs	29,20,000	5.31
GRAND TOTAL	5,49,42,142	100.00

k. Dematerialisation of shares

Trading in Equity Shares is permitted only in dematerialised form as per notification issued by the SEBI. Our Company's shares have been dematerialised. The Company has appointed M/s Karvy Computershare Private Limited, 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, as Registrars and Share Transfer Agents (STA) for effecting physical share transfers, transmission, etc and approval for demat of shares and related matters. Members desirous of converting their physical shares into demat are requested to send their share certificates to Registrars and Share Transfer Agents, M/s. Karvy Computershare Private Limited at the above address through their Depository Participants (DPs).

98.54% of our Company's shares have been dematerialised as on 30th September, 2012 :

- a) **GDRs:** Outstanding GDRs as on 30th September, 2012 represent 29,20,000 Equity shares of the Company

Reconciliation of Share Capital:

As stipulated by SEBI, a Qualified Practicing Company Secretary carries out 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 is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

- b) **Conversion of Warrants:** Out of 17,17,222 Equity Share Warrants, 4,30,222 Equity Share Warrants were converted into equivalent number of equity shares of Rs10 each at a premium of Rs. 35/- per share on 14.12.10 and the balance 12,87,000 Warrants have also been converted on 26th August, 2011.

l. Registrars and Share Transfer Agents

M/s.Karvy Computershare Private Limited
17-24 Vittal Rao Nagar, Madhapur
Hyderabad-500 081
E-mail: mailmanager@karvy.com
Website: www.karvy.com

m. Plant Location & Registered Office

Works and Registered Office: Bhoruka Aluminium Limited, # 1, KRS Road, Metagalli, Mysore – 570 016, Karnataka, India Phone +91-0821-2582116, 2582982 and +91-0821-4286100. Extension 100 For Investors' Grievance E-mail : company.secretary@bhorukaaluminium.com

Website of the Company: www.bhorukaaluminium.com

DECLARATIONS:

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

The Company has obtained from all the members of the Board and the Senior Management Personnel, affirmation that they have complied with the Code of Business Conduct and Ethics for the Board Members and the Senior Management Personnel, during the financial period ended **30th September, 2012 (18 months)**.

For Boruka Aluminium Limited

Place: Mysore

Date: 1st January, 2013

R.K. Aggarwal

Managing Director

CEO/CFO CERTIFICATION

As required by sub-clause V of Clause 49 of the Listing Agreement entered with the Stock Exchange, I/We have certified to the Board that for the financial period ended **30th September, 2012 (18 months)** the Company has complied with the requirements of the said sub-clause. (CFO resigned on 3.09.12)

For Boruka Aluminium Limited

Place: Mysore

Date: 1st January, 2013

R.K. Aggarwal

Managing Director

Ajay Kumar Dalmia

Chief Financial Officer

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

To the Members
Bhoruka Aluminium Limited
Mysore

We have examined the compliance of the conditions of Corporate Governance by Bhoruka Aluminium Limited for the financial period ended 30th September, 2012 (18 months), as stipulated under Clause 49 of Listing Agreement of the said Company entered with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the aforementioned Listing Agreement.

On the basis of records maintained by the Company, we state that during the financial period ended 30th September, 2012 (18 months), no Investors' Grievances were pending for a period exceeding one month.

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 R.S. Agarwala & Co.,
Chartered Accountants

M. Gandhi
Partner

Place : Mysore
Date : 1st January, 2013

Membership No. 22958
Firm Reg. No. : 00049S

AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance sheet of M/s. BHORUKA ALUMINIUM LIMITED as at **September 30, 2012 (18 months)** and also the Profit and Loss Account for the period ended April 2011 to September 2012 for 18 months and Cash Flow Statement ended on that date annexed there to. 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 the 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 statement. 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 (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annex here to 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 purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches of the Company, not visited by us;
 - (c) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors, as on **September 30, 2012**, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on **September 30, 2012** from being appointed as a director, in terms of clause (g) of sub-section (1) of 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 give the information required by the Companies Act, 1956, in the manner so required subject to
 - (i) Non provision of interest on secured loan to the extent of Rs.12,04,36,726/- since the account is NPA from 31st December 2011 (to that extent loss is lower) ;
 - (ii) Non-provision of interest on unsecured loan to the extent of Rs 16,80,667/- and interest on LC credit on Material purchase of Rs 8,33,974/- and interest on credit on Material of Rs 8,92,987/- (to that extent loss is lower) read together with the notes and accounting policies there on give a true and fair view generally accepted in India ;
 - (iii) in the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2012;
 - (iv) in the case of the Profit and Loss Account, of the LOSS for the period ended April 2011 to September 2012 for 18 months ;
 - (v) in the case of the Cash Flow Statement for the period ended on that date.

For **R.S. Agarwala & Co.,**
Chartered Accountants

M. Gandhi
Partner

Place: Mysore
Date: 29th November, 2012

Membership No. 22958
Firm Reg No-00049S

ANNEXURE TO AUDITORS' REPORT TO THE MEMBERS

(Referred to the paragraph 3 of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (c) There was no disposal of substantial part of its fixed assets during the year.
2. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.
- (b) The procedure for Physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company has maintained proper records of inventory and no major discrepancies were noticed on physical verification.
3. In our opinion and according to the information and explanations given to us,
 - (a) the Company has granted interest free loans to three companies, all the above companies are covered in register maintained u/s 301 of the Act. The maximum amount involved during the year aggregate to Rs 1,93,20,831 and the year ended balance to Rs 15,99,92,040. There are no stipulation as to the dates for the repayment of the loan.
 - (b) In our opinion the rate of interest and terms and condition to the loan taken from companies are prima facie prejudicial to the interest of the company.
 - (c) The company has taken a interest free loan from a director covered u/s 301 of the Companies Act 1956, the maximum amount of Rs 62,00,000/- and outstanding at the year ended is nil. There is no stipulation as to the dates for the repayment of the loan. In our opinion the loan is not prima facie of prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, we have not come across any major weakness in the internal control system nor we have been informed of any such instance.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions with parties exceeding the value of Rupees five lakhs each entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
7. We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have not, however, made a detailed examination of the same.
8. According to the records of the Company, it has generally been regular in depositing undisputed statutory dues including Provident Fund and Employees' State Insurance, Income-tax, Sales tax, Custom Duty, Excise Duty, Service-tax, Cess and other statutory dues during the year with the appropriate authorities,

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and there are no arrears of outstanding statutory dues as on that date, for a period of more than six months except Rs 11,43,335 on account of service tax which is pending with Central Excise Tribunal, from the date they became payable.

9. (a) The Company has accumulated losses at the end of the financial year Rs. 57,05,25,099 and it has incurred cash losses in the current year of Rs 56,02,35,375 and there is no cash losses in the immediately preceding financial year.
(b) At the Financial year ended 30.09.2012 (18 months period), the Company has become a Potentially Sick Industrial Company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company is in the process of making reference to the Board for Industrial and Financial Reconstruction (BIFR) in accordance with the provisions of Section 23(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
10. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has defaulted in repayment of dues to bank and the Bank has declared the company as Non Performing Assets since 31st December 2011.
11. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
12. The nature of Company's activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of Companies (Auditors' Report) Order, 2003 are not applicable to the Company for the year.
13. The Company has given guarantee for loans taken by one of its Associate Company Bhoruka Fabcons Private Limited from banks or financial institutions.
14. Based on our audit procedures and information and explanation given by the management, during the financial year the Company has not obtained any term loan.
15. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
16. (a) The Company has not made any preferential allotment of shares during the year to parties & companies covered in the register maintained U/s 301 of the Act except bonus share are issued out of share premium account.
(b) There are no debentures outstanding at the year end.
17. The Company has not raised any money by public issues during the year.
18. Based upon the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
19. During the course of our examination of the books and records of the company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by management.

For **R.S. Agarwala & Co.,**
Chartered Accountants

M. Gandhi
Partner.

Place: Mysore
Date: 29th November, 2012

Membership No. 22958
Firm Reg No-00049S

BALANCE SHEET AS AT 30TH SEPTEMBER, 2012

	Notes	As at 30 th September 2012 Rs.	As at 31 st March 2011 Rs.
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	01	549,421,420	261,840,710
Reserves & Surplus	02	(282,243,953)	554,870,796
Money Received against Share Warrants		-	25,221,140
		<u>267,177,467</u>	<u>841,932,646</u>
Non Current Liabilities			
Long Term Borrowings	03	64,328,195	318,845,790
Deferred Tax Liabilities		-	14,543,739
Long Term Provisions	04	30,883,350	28,491,093
		<u>95,211,545</u>	<u>361,880,622</u>
Current Liabilities			
Short Term Borrowings	05	698,091,918	204,411,575
Trade Payables		225,325,936	470,570,726
Other Current Liabilities	06	276,335,602	56,747,608
Short Term Provisions	07	1,966,490	-
		<u>1,201,719,946</u>	<u>731,729,909</u>
TOTAL		<u>1,564,108,958</u>	<u>1,935,543,177</u>
ASSETS			
Non Current Assets:			
Fixed Assets:			
	08		
Tangible Assets		513,232,744	623,037,063
Intangible Assets		2,054,739	4,214,154
Capital Work-in-Progress		-	568,500
		<u>515,287,483</u>	<u>627,819,717</u>
Non Current Investments	09	433,436,491	122,093,050
Long Term Loans and Advances	10	283,332,906	196,333,425
Current Assets:			
Inventories	11	249,436,188	443,463,635
Trade Receivables	12	19,414,327	101,474,299
Cash and Bank Balances	13	3,669,037	392,521,492
Other Current Assets	14	59,532,526	51,837,559
		<u>332,052,078</u>	<u>989,296,985</u>
TOTAL		<u>1,564,108,958</u>	<u>1,935,543,177</u>

The Notes form an integral part of these financial statements

1-22

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi
Partner.

Membership No: 22958

Mysore, 29th November, 2012

Annual Report 2011-12

STATEMENT OF PROFIT AND LOSS FOR 18 MONTHS ENDED 30TH SEPTEMBER, 2012

	Notes	18 months ended 30 th September 2012 Rs.	12 months ended 31 st March 2011 Rs.
REVENUE			
Revenue from Operations	15	1,583,895,502	1,637,079,598
Less:- Excise Duty		130,512,831	145,432,389
Revenue from Operations (Net)		1,453,382,671	1,491,647,209
Other Income	16	5,128,803	6,117,538
TOTAL REVENUE		1,458,511,474	1,497,764,747
EXPENSES			
Cost of Materials Consumed		833,169,562	989,266,368
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	17	153,367,496	(13,341,489)
Employee Benefits Expenses	18	167,624,547	121,828,521
Finance costs	19	166,497,364	94,408,057
Depreciation & Amortisation Expense		60,426,824	35,739,094
Other Expenses	20	399,929,121	254,950,861
TOTAL EXPENSES		1,781,014,914	1,482,851,412
(Loss) / Profit before Exceptional Items and Tax		(322,503,440)	14,913,335
Exceptional items	21	298,158,759	-
(Loss) / Profit before Tax		(620,662,199)	14,913,335
Tax Expense			
- Taxes for earlier years		1,205,629	73,848
- Deferred tax for earlier years		(14,543,739)	545,008
(Loss) / Profit for the Period		(607,324,089)	14,294,479
Earning per Share			
Basic		(11.05)	0.55
Diluted		(11.05)	0.55
The Notes form an integral part of these financial statements	1-22		

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi

Partner.

Membership No: 22958

Mysore, 29th November, 2012

NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
1. SHARE CAPITAL		
AUTHORISED		
5,60,00,000 (3,60,00,000 in Previous Year)		
Equity shares of Rs.10/- each	560,000,000	360,000,000
ISSUED, SUBSCRIBED AND PAID UP		
5,49,42,142 (2,61,84,071 in Previous Year)		
Equity shares of Rs. 10/- each fully paid up	549,421,420	261,840,710

Particulars	30 th September 2012		31 st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
Of the Above, Shares allotted as fully paid up without payment being received in cash:-				
(i) On 27th January 2011 as per scheme of amalgamation of erstwhile Bhoruka Agro Greens Ltd duly approved by Hon'ble High Court of Karnataka	5,903,333	59,033,330	5,903,333	59,033,330
(ii) On 18th October 2011 as bonus shares by capitalization of Securities Premium Account.	27,471,071	274,710,710	-	-

The Company has only one Class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of the Number of Shares Outstanding:

Particulars	30 th September 2012		31 st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
Shares at the beginning of the year	26,184,071	261,840,710	7,535,900	75,359,000
Allotted on Conversion of Warrants	1,287,000	12,870,000	430,222	4,302,220
Allotted on Amalgamation, on Preferential basis and in lieu of GDR	-	-	18,217,949	182,179,490
Allotted as Bonus Shares	27,471,071	274,710,710	-	-
Shares at the end of the year	54,942,142	549,421,420	26,184,071	261,840,710

NOTES TO THE FINANCIAL STATEMENTS**Details of shareholders holding more than 5% shares**

Name of the Shareholder	30 th September 2012		31 st March 2011	
	No. of Shares held	% of Holdings	No. of Shares held	% of Holdings
Raj Kumar Aggarwal	36,58,282	6.66	13,51,091	5.16
Rockstrong Investments Pvt Ltd	28,06,666	5.11	6,78,333	2.59

2. RESERVES AND SURPLUS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
Amalgamation Reserve	75,720,251	78,571,757
Less: Expenses on Amalgamation	-	2,851,506
	75,720,251	75,720,251
Capital Reserve		
As per Last Balance Sheet	57,500	57,500
Securities Premium Account		
As per Last Balance Sheet	440,794,054	58,500,000
Additions during the Year	44,920,051	402,286,838
Less: Expenses on Issue of Shares	-	19,992,784
Utilised for issue of bonus shares	274,710,710	-
	211,003,395	440,794,054
Central Subsidy		
As per Last Balance Sheet	1,500,000	1,500,000
General Reserve		
As per Last Balance Sheet	20,000,000	20,000,000
Less:- Transfer to Surplus as per Statement of Profit & Loss	(20,000,000)	-
	-	20,000,000
Surplus as per Statement of Profit & Loss		
As per Last Balance Sheet	16,798,991	2,504,512
Add: Transferred from General Reserve	20,000,000	-
(Loss)/Profit of the period	(607,324,089)	14,294,479
	(570,525,099)	16,798,991
	(282,243,953)	554,870,796

NOTES TO THE FINANCIAL STATEMENTS

3. LONG TERM BORROWINGS

Particulars	Non Current		Current Maturities	
	30 th Sept., 2012	31 st March 2011	30 th Sept., 2012	31 st March 2011
	Rupees	Rupees	Rupees	Rupees
Secured				
Term Loans				
From Banks	-	234,444,044	223,949,927	44,918,887
Other Loans				
From Banks	55,195	1,778,746	731,678	2,119,189
Unsecured				
Other Loans	64,273,000	82,623,000	-	-
	64,328,195	318,845,790	224,681,605	47,038,076

Other Information Pertaining to Nature of security

Particulars of Nature of Security	Security to the extent	
	30 th September 2012 Rs.	31 st March 2011 Rs.
1. Hypothecation of Stocks, receivables, dies & other assets including incentives, duty draw back & other current assets.	92,20,41,845	48,37,74,506
2. Pledge of 51,250 equity shares of TCI Industries Limited and 75,500 shares of TCI Finance Ltd		
3. Flats at Bangalore and Mumbai. Immoveable property at Mysore.		
4. EM of Flat No. 1001, 1002, 10 th Floor, Western Portion of Mittal Tower, MG Road, Bangalore.		
5. Land and Building situated at, Hebbal Industrial Area, Mysore.		
6. Extn of EM of factory land and building.		
Details of other Unsecured Loans		
Karnataka State Development Loan	923,000	923,000
From Related Parties	41,873,356	63,700,000
Other Loans & Advances	24,201,018	18,000,000
	66,997,374	82,623,000
4. LONG TERM PROVISIONS		
For Employee Benefits	30,883,350	28,491,093
	30,883,350	28,491,093

NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
5. SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand from Banks		
Working Capital Loans From Bank (Treated as non performing assets by Bank since 31st December,2011 and continuing default in repayment of loan and interest) (Including foreign currency loan (FCNR) of Rs Nil (Previous year Rs. 11,34,39,608)) Secured by way of First Charge on all immovable and movable assets, both present and future, of the company. In addition, the above loans are guaranteed by the Managing Director and Executive Director.	698,091,918	204,411,575
	698,091,918	204,411,575
6. OTHER CURRENT LIABILITIES		
Current Maturities of Long - Term Debt		
Secured		
Term Loans		
From Banks (Treated as non performing assets by Bank since 31 st December,2011 and continuing default in repayment of loan and interest) Secured by way of First Charge on all immovable and movable assets, both present and future, of the company. In addition, the above loans are guaranteed by the Managing Director and Executive Director.	223,949,927	44,918,887
Others Loans		
From Banks Secured by hypothecation of Vehicles acquired under hire purchase agreements	731,678	2,119,189
Unsecured		
Other Loans	1,000,000	-
Advances from Customers	32,324,658	-
Trade / Security Deposits	8,313,118	3,371,605
Interest Accrued and Due on other Borrowings	1,724,374	-
Statutory Remittances	1,205,118	1,064,984
Others	7,086,729	5,272,943
	276,335,602	56,747,608
7. SHORT TERM PROVISIONS		
For Employee Benefit	1,966,490	-
	1,966,490	-

8. FIXED ASSETS

Particulars	Gross Block					Depreciation			Net Carrying Value			
	As at 01.04.2011	Added on Amalgamation	Additions during the period	Deductions during the period	Balance as at 30.09.2012	As on 01.04.2011	Added on Amalgamation	For the period	Adjustment on deductions	Total depreciation	As at 30.09.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets												
Land	7,047,838	-	-	-	7,047,838	-	-	-	-	-	7,047,838	7,047,838
Buildings	224,025,973	-	-	718,120	223,307,853	33,493,407	-	11,219,894	331,240	44,382,061	178,925,794	190,532,567
Plant & Machinery	465,489,197	-	4,828,140	61,799,067	408,518,270	110,967,249	-	35,561,095	8,274,990	138,253,354	270,264,916	354,521,948
Electrical Installations	43,907,054	-	-	3,467,713	40,439,341	13,789,144	-	4,117,083	3,467,689	14,438,538	26,000,803	30,117,910
Office Equipments	11,328,997	-	13,328	6,090,036	5,252,289	7,468,992	-	1,426,970	5,137,589	3,758,373	1,493,916	3,860,006
Computers	4,419,445	-	174,341	-	4,593,786	1,287,780	-	1,103,721	-	2,391,501	2,202,285	3,131,665
Furniture & Fixtures	8,719,714	-	-	1,963,986	6,755,728	2,571,790	-	700,365	1,546,792	1,725,363	5,030,365	6,147,922
Vehicles	18,495,357	-	57,266	3,405,951	15,146,772	7,671,840	-	2,399,188	2,076,487	7,994,541	7,152,231	10,823,517
Agricultural Assets	22,881,377	-	-	-	22,881,377	6,027,688	-	1,739,093	-	7,766,781	15,114,596	16,853,689
TOTAL	806,314,952	-	5,073,075	77,444,773	733,943,254	183,277,890	-	58,267,409	20,834,787	220,710,512	513,232,744	623,037,062
Intangible Assets												
Computer Software	8,872,901	-	-	-	8,872,901	4,658,747	-	2,159,415	-	6,818,162	2,054,739	4,214,154
GRAND TOTAL	815,187,852	-	5,073,075	77,444,773	742,816,154	187,936,637	-	60,426,824	20,834,787	227,528,674	515,287,482	627,251,215
Previous Year 2011 (12 Months)	710,763,220	29,012,792	76,294,204	882,364	815,187,852	147,855,207	4,918,884	35,739,094	576,548	187,936,637	627,251,215	
Capital Work-in-Progress												568,500
TOTAL												623,605,562

NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
9. NON CURRENT INVESTMENTS (at cost)		
Non -Traded		
Quoted		
Fully paid-up Equity Shares of Joint Stock Companies (Pledged with the Bank against credit facilities)		
51,250 shares of TCI Industries Ltd of Rs. 10 each	8,712,500	8,712,500
75,500 shares of TCI Finance Ltd of Rs. 10 each	2,240,000	2,240,000
Market Value of quoted Investments Rs. 426,55,700 (Previous year 760 lacs)		
Unquoted		
Government Securities		
National Savings Certificates / Indira Vikas Patras (Deposited with Sales Tax and Excise Departments)	11,300	59,300
In Subsidiary		
997 Shares of Bhoruka Aluminium FZE (equivalent to AED 34,895,000)	422,472,691	111,081,250
	433,436,491	122,093,050
10. LONG TERM LOANS AND ADVANCES		
Unsecured		
Security Deposits	8,742,870	8,033,425
Deposit with Landlords	1,245,000	2,840,000
Loans and Advances to Related Parties	2,722,040	-
Loans and Advances to Subsidiary	40,458,162	-
Loans and Advances to Associates	157,270,000	136,710,000
Loans and Advances to Others	72,894,834	48,750,000
	283,332,906	196,333,425
11. INVENTORIES		
(As taken valued and certified by the management)		
AT LOWER OF COST AND NET REALISABLE VALUE		
Finished goods	9,095,227	62,767,161
Raw materials	3,757,504	35,142,515
Work in progress	32,760,473	131,681,969
Stores, spares & consumables (At cost)	203,822,984	213,097,924
Coffee Stock	-	774,066
	249,436,188	443,463,635
12. TRADE RECEIVABLES		
Unsecured , Considered Good		
Outstanding more than six month from the due date	7,260,106	2,068,019
Others	12,154,221	99,406,280
	19,414,327	101,474,299

NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
13. CASH AND BANK BALANCES		
Cash in hand	1,312,495	1,383,345
Balances with banks		
- In Current accounts	1,709,442	352,030,147
- In Deposit accounts*	647,100	39,108,000
*Deposited with bank against Guarantee issued and as Margin Money		
	3,669,037	392,521,492
14. OTHER CURRENT ASSETS		
Unsecured		
Trade Advances - Considered Good	11,625,875	16,643,416
Advance to Staff	198,339	1,414,873
Other Deposits	516,405	1,617,678
Advance Payment of Taxes	874,833	752,869
Excise Duty	1,450,459	133,429
VAT Input Tax	44,827,102	30,373,947
Interest Receivable	39,514	901,347
	59,532,526	51,837,559
15. REVENUE FROM OPERATIONS		
Sale of Extrusions	1,575,294,122	1,629,381,400
Sale of Agricultural Products	4,072,821	4,559,665
Job Work Charges	4,528,559	3,138,533
	1,583,895,502	1,637,079,598
16. OTHER INCOME		
Interest Income	3,553,822	2,052,395
Exchange Rate Difference	-	3,885,143
Rent	714,300	180,000
Profit on sale of Assets	-	-
Miscellaneous	860,681	-
	5,128,803	6,117,538
17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Finished goods	62,767,161	54,064,059
Goods at bonded warehouse	-	6,742,341
Work in progress	131,681,969	121,075,307
Coffee Stock	774,066	-
	195,223,196	181,881,707
Less : Closing Stock		
Finished goods	9,095,227	62,767,161
Coffee Stock	-	774,066
Work in progress	32,760,473	131,681,969
	41,855,700	195,223,196
	153,367,496	(13,341,489)

NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
18. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	149,705,193	107,015,414
Contribution to Provident and other funds	6,743,752	4,583,107
Workmen and staff welfare expenses	11,175,602	10,230,000
	<u>167,624,547</u>	<u>121,828,521</u>
19. FINANCE COSTS		
Interest	147,151,457	75,665,914
Other Borrowing Cost	19,345,907	18,742,143
	<u>166,497,364</u>	<u>94,408,057</u>
20. OTHER EXPENSES		
Consumption of stores, spares & consumables	120,223,729	58,332,270
Power and fuel	128,251,869	114,210,939
Job Work Charges - Expenses	10,995,592	7,368,017
Others	1,522,879	1,772,473
Repairs and maintenance to buildings	234,730	559,104
Repairs and maintenance to machineries	3,189,337	2,532,781
Freight outward	-	2,677,009
Packing charges	20,875,126	22,476,277
Vat and Octroi	1,862,731	2,742,122
Sales Promotion & Advertisement	10,823,416	9,285,548
Discount & commission	8,303,847	454,567
Rent	5,542,840	6,719,758
Rates and taxes	3,664,030	785,739
Repairs & Maintenance - Others	4,073,236	2,937,364
Telephone charges	3,215,499	1,875,566
Printing and stationery	822,343	1,547,412
Insurance	1,811,572	927,712
Legal and consultancy charges	5,390,794	4,432,353
Travelling & conveyance	9,906,609	9,352,192
Directors Fees	570,000	780,000
Auditors Remuneration		
- Audit Fees	60,000	60,000
- Tax Audit Fees	15,000	15,000
Bad Debts, Irrecoverable balances written off	21,809,858	-
Miscellaneous expenses	4,006,785	2,922,862
Donations	150,201	2,000
Loss on discard/ sale of Assets	30,958,981	181,796
Exchange Difference	1,648,117	-
	<u>399,929,121</u>	<u>254,950,861</u>
21. EXCEPTIONAL ITEMS		
	<u>298,158,759</u>	<u>-</u>

Includes

(i) Correction of errors in the earlier years in valuation of inventories Rs 1328.77 lakh.

(ii) Write off of old outstanding receivables / payables found on reconciliation to be not actually realisable Rs1652.82 lakh.

NOTES TO THE FINANCIAL STATEMENTS

A. SIGNIFICANT ACCOUNTING POLICIES :

BASIS OF PREPARATION OF ACCOUNTS

The Financial Statements have been prepared in compliance with all material aspects of the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and based on historical cost convention on accrual basis.

RECOGNITION OF INCOME & EXPENDITURE

Sales are inclusive of excise duty. Material returned / rejected are accounted in the year of return / rejection. Expenses are accounted on accrual basis net of service tax, wherever applicable and provision is made for all known losses and liabilities.

FIXED ASSETS

Fixed Assets are stated at cost of acquisition. Direct costs comprising of purchase price, import duties, levies and any other directly attributable costs of bringing the asset to their working condition are capitalized.

Depreciation is provided on Fixed Assets from the date assets are put to use, on a straight line method, at rates prescribed under Schedule XIV of the Companies Act, 1956.

INVENTORIES

Finished goods and raw materials are valued at lower of cost or the net realizable value inclusive of excise duty as recommended under Accounting Standard (AS-2). Work-in-progress process and Consumable stores and spares are valued at cost using the first-in first out method.

A periodic review is made of slow moving stock and appropriate provisions are made for anticipated losses, if any.

INCOME TAX

Current Income-tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax asset is recognised, subject to consideration of prudence, on timing differences, representing the differences between the taxable income and accounting income that originated in one period and capable of reversing in one or more subsequent periods. Deferred tax assets and liabilities are measured using current tax rates.

In the absence of virtual certainty about the availability of future taxable income Deferred Tax Asset has not been recognized as on 30th September, 2012 in terms of Accounting Standard 22. Deferred Tax Liability of Rs. 145.44 Lakh as on 1st April, 2011 has been written back.

INVESTMENTS

Investments are classified into current and long term investments and stated at cost. Provision for diminution, if any, in the value of long-term investments is made to recognise a decline, other than temporary, in the value of long term investments.

RETIREMENT BENEFITS

Retirement benefits in the form of provident fund, gratuity and leave encashment is accounted on actuarial basis and charged to profit and loss account.

FOREIGN CURRENCY TRANSACTIONS

Export Sales and import purchases are accounted at the rates prevailing at the date of transaction. Gains and losses on settlement of such transactions and from translation of monetary assets and liabilities are accounted in the profit and loss account.

IMPAIRMENT

Impairment of Assets are assessed at each balance sheet date and loss is recognized whenever the recoverable amount of an asset is less than its carrying amount.

B. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:

(Rupees in Lakhs)

Particulars	30 th Sept., 2012	31 st March, 2011
Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
Bills discounted with Banks	Nil	1738.94
Bank Guarantees outstanding	9.63	27.50
R O R	194.43	194.43
Service tax under dispute	11.43	0.65

- C. (i) a. Losses incurred during the period have eroded over fifty percent of the net worth of the Company. State Bank of India, the lender Bank, has treated all outstanding dues from the company, as NPA and has issued notices under Securitizations And Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002 to which the Company has replied.
- b. These accounts have been prepared on a going concern basis. However, the going concern concept will hold good depending upon the receipt of required support from its bankers, promoters and others. Necessary adjustments may have to be made in the value of assets and liability, in case the going concern concept is vitiated.
- (ii) No provision has been made in these accounts for interest of Rs 1204 lakh on outstanding dues to State Bank of India, of Rs 16.80 lakh on other loans & advances and of Rs 17.27 lakh on dues to vendors for materials supplied
- (iii) No confirmation of the outstanding dues as on 30th September 2012 from State bank of India has been received.
- (iv) The outstanding receivables and payables and loans and advances given and taken have been considered in these accounts at values as stated in the books of accounts and the reconciliation is under process. Necessary adjustments are being carried out in the books on completion of reconciliation.

D. DIRECTORS' REMUNERATION:

(Rupees)

Particulars	30 th Sept., 2012	31 st March, 2011
Managing Director		
Salary & Allowances	3,600,000	2,400,000
Money value of Perquisites	484,670	402,711
Contribution to Provident & Other Funds	270,000	180,000
Executive Director		
Salary & Allowances	3,600,000	2,400,000
Money value of Perquisites	68,754	600,000
Contribution to Provident & other Funds	432,000	288,000
Wholetime Director		
Salary & Allowances	828,000	230,000
Money value of Perquisites	121,374	27,575
Contribution to Provident & Other Funds	43,200	12,000

E. GROUP:

1. Shri R.K. Aggarwal
2. Smt.Urmila Agarwal
3. Shri Rajat Agarwal
4. Smt.Tanushree Hazarika Agarwal
5. Shri Utsav Agarwal
6. Rockstrong Investments Private Limited
7. Sunbright Investments Private Limited
8. Elegant Enterprises
9. Rajkumar Aggarwal, Karta
10. Rajkumar & Sons (HUF)
11. Bhoruka Fabcons Private Limited
12. Maverick Infotec Private Limited

F. RELATED PARTY DISCLOSURES:

Related parties with whom transactions have taken place during the year:

Key Management Personnel:

Shri R.K. Aggarwal

Managing Director

Shri Rajat Agarwal

Executive Director

Related Party	Nature of Relationship	Transactions (Rupees)		
		Nature of the Transaction	Amount in Rs.	Outstanding as on 30 th September, 2012
Bhoruka Fabcons Pvt.Ltd.	Associate	Sales Purchase	13,39,40,041 37,96,162	224,469
Maverick Infotec Pvt. Ltd.	Associate	Services	360,831	27,22,040
Urmila Agarwal	Associate	Rent	14,40,000	7,22,000
Rajat Agarwal	Executive Director	Office Rent	42,46,550	1,51,170

Annual Report 2011-12

G EARNINGS PER SHARE:

Particulars	30 th Sept., 2012	31 st March, 2011
No. of equity shares outstanding (Nos in lakh)	549.421	261.841
Net profit/(loss) after tax available for equity shareholders (Rs. In lakh)	(6073.24)	142.94
Basic earning per share of Rs.10 each	(10.69)	0.55
Diluted earning per share of Rs.10 each	(10.69)	0.55

H. AUDITORS' REMUNERATION:

(In Rupees)

Particulars	30 th Sept., 2012	31 st March, 2011
Audit fees	60,000	60,000
Tax Audit fees	15,000	15,000

I. There are no Micro, Small and Medium Enterprises to whom dues are outstanding for more than 45 days at the year end as determined to the extent such parties have been identified on the basis of information available with the Company.

J. Adequate provisions as required by Accounting Standard-15, employees benefits has been made and no further liability on this account is envisaged.

K. HIRE PURCHASE:

Motor vehicles purchased on non-cancellable hire purchase basis: (In Rupees)

Particulars	30 th Sept., 2012	31 st March, 2011
Hire purchase expenditure included in Profit and Loss account	431,471	606,433
Total minimum instalments for fixed and non-cancellable term as year ended	7,86,873	3,897,936
Not later than one year	7,31,678	2,119,189
More than one year less than five years	55,195	1,778,747

L. a) On 14th December, 2010 the Company had issued 17,17,222 Equity share Warrants to the Bodies Corporate in the Promoters group on Preferential basis convertible into even number of equity share of Rs.10/- each at a premium of Rs. 35/- per share at any time within a period of 18 months from the date of Issue. Accordingly, 4,30,222 Equity shares were allotted on exercise of conversion option on 14th December, 2010 and balance 12,87,000 Warrants were converted into Equity shares on 26th August, 2011.

M. Previous year's figures have been regrouped/restated wherever necessary to conform to Current period's classification. However, current period being of eighteen months, to that extent, previous year's figures are not comparable.

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B. L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi

Partner.

Membership No: 22958

Mysore, 29th November, 2012

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2012

(Rs. in lakh)

Particulars	18 months ended 30 th September, 2012	12 months ended 31 st March, 2011
A. Cash flow from Operating activities		
Net profit/(loss) before Tax and Exceptional Item as per Statement of Profit & Loss	(6,206.62)	149.13
Adjustment for		
Depreciation & Amortisation Expense	604.27	357.39
Loss on Sale/discard of Fixed Assets	309.59	1.82
Finance Cost	1,664.97	944.08
Interest Income	(35.54)	(20.52)
Operating profit before working capital changes	(3,663.33)	1,431.90
Changes In Working Capital		
Adjustments for Increase/Decrease in operating Assets:		
Inventories	1,940.27	(764.14)
Trade and other receivables	820.60	495.06
Long Term Loans and Advances	(869.99)	28.70
Other Current Assets	(76.95)	(518.38)
	1,813.93	(758.76)
Adjustments for Increase/Decrease in operating Liabilities:		
Trade payables	(2,452.45)	63.51
Other Non Current and Current Liabilities	2,239.47	590.42
Tax paid	(12.06)	0.74
	(225.04)	654.67
Net Cash Generated from/(used in) operating Activities	(2,074.44)	1,327.81
B. Cash flow from Investment Activities		
Capital Expenditure on Fixed Assets	(45.05)	(975.97)
Proceeds from sale of Fixed assets	256.51	1.24
Investment in subsidiary	(3,113.43)	(1,111.29)
Net cash used in Investing activities	(2,901.97)	(2,086.02)
C. Cash flow from Financing Activities		
Proceeds from issue of Share Capital	577.90	6,444.36
Share Warrants	(252.21)	252.16
Receipts/Repayment of Long Term Borrowings (Secured)	(2,361.68)	(2,767.40)
Receipts/Repayment of Unsecured Loans	(183.50)	(776.45)
Receipts/Repayment of Short Term Secured Loans	4,936.80	2,044.12
Interest on Borrowings	(1,629.43)	(923.56)
Net cash from financing activities	1,087.88	4,273.23
Net increase in cash and cash equivalents (A+B+C)	(3,888.53)	3,515.02
Opening balance of cash & cash equivalents	3,925.22	410.20
Closing balance of cash & cash equivalents	36.69	3,925.22

This is the Cash Flow Statement referred to in our report of even date

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi
Partner.

Membership No: 22958

Mysore, 29th November, 2012

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

01	Name of the Subsidiary	Bhoruka Aluminium FZE Hamriyah Free Zone Authority Sharjah U.A.E.
02	Financial year of the Subsidiary ended on	30th September, 2012 (18 months period)
03	Shares of Subsidiary Company held on 30th September, 2012	997
04	Number of Equity shares of face value of AED 35000 each held by Bhoruka Aluminium Limited	997 [Equivalent to Rs. 422,472,691]
05	Extent of Holding (%)	100%
06	Net aggregate amount of profit (loss) of the Subsidiary so far as they concern members of the Company	
	1. Dealt within the accounts of the Company for the year ended 30th September, 2012	AED (7,791,549) [Equivalent to Rs. (94,332,045)]
	2. Not dealt within the accounts of the Company for the year ended 30th September, 2012	
07	Net aggregate amount of profit (loss) of the Subsidiary for the previous years so far as they concern members of the Company	
	1. Dealt within the accounts of the Company upto the period ended 30th September, 2012	
	2. Not dealt within the accounts of the Company upto the period ended 30th September, 2012	
08	Changes in the holding company's interest in the subsidiary between the end of the financial year of the Subsidiary and the end of the holding company's financial period ended 30th September, 2012	

STATEMENT OF SUBSIDIARY COMPANY UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

Name of Subsidiary : Bhoruka Aluminium FZE
Date of Incorporation : 29th November, 2010
Regd. Address : ELOB Office No: E-32G-33
Hamriyah Free Zone – Sharjah
UAE
Director : Mr. Ajay Kumar Dalmia
Auditors : NUF Chartered Accountants LLC
UAE

Financial Data

For the Financial Period Ended 30 th September, 2012 (18 months)		
	AED	INR
Share Capital	34,895,000	422,472,691
Reserves	-	-
Total Assets	30,130,532	364,789,423
Total Equity & Liabilities	30,130,532	364,789,423
Investments		
Turnover	43,248,911	523,613,233
Profit /(Loss) Before Taxation	(7,791,549)	(94,332,045)
Provision for Taxation	-	-
Profit/(Loss) after Taxation	(7,791,549)	(94,332,045)

- Note: 1. Above figures in INR has been calculated at 1 AED = 12.1069692 for the financial period ended 30th September, 2012 (18 months).
2. General exemption has been granted (vide Circular No. 2/2011) by the Ministry of Corporate Affairs, Government of India, from attaching the Directors' Report, Balance Sheet & Profit Loss Account of Subsidiary Company, hence they have not been attached with the Annual Report of the Company. The Company will make available these documents and the related details upon request by any investor of the Company.

**CONSOLIDATED
FINANCIAL STATEMENTS**
FOR 18 MONTHS ENDED 30TH SEPTEMBER, 2012

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHORUKA ALUMINIUM LIMITED

To the Board of Directors of Bhoruka Aluminium Limited

1. We have audited the attached consolidated balance sheet of Bhoruka Aluminium Limited (the "Company") and its subsidiary; hereinafter referred to as the "Group" (refer Note 1 to the attached consolidated financial statements) as at **30th September 2012 (18 months)** and also consolidated statement of Profit and Loss Account for the period ended April 2011 to September 2012 for 18 months and the consolidated Cash Flow Statement ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Group'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 the auditing standards generally accepted in India. These 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. We did not audit the financial statements of (i) Subsidiary, a controlled entity and included in the consolidated financial statements, which constitute total assets of Rs.36,47,89,426 and a net assets of Rs.36,36,25,523 as at 30th September 2012, total revenue of Rs.5236.13 Lakh and total expenditure of Rs 6179.45 Lakh, net loss of Rs.943.32 Lakh and net cash flows amounting to Rs.NIL for the year ended April 2011 to September 2012 (18 months). These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21.
5. Based on our audit and on consideration of reports of other auditor(s) on separate financial statements and on the other financial information of the component(s) of the Group as referred to above, and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 30th September 2012 (18 months)
 - (b) In the case of the consolidated statement of Profit and Loss, of the Loss of the Group for the period from April 2011 to September 2012 (18 months)
 - (c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Group for 18 months on that date.

For **R.S. Agarwala & Co.,**
Chartered Accountants

M. Gandhi
Partner

Membership No. 22958
Firm Reg No-00049S

Place: Mysore
Date: 29th November, 2012

CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER, 2012

	Notes	As at 30 th September 2012 Rs.	As at 31 st March 2011 Rs.
EQUITY & LIABILITIES			
Shareholders' Funds			
Share Capital	01	549,421,420	261,840,710
Reserves & Surplus	02	(381,549,281)	554,870,796
Share Warrants		-	25,221,140
		167,872,139	841,932,646
Non current Liabilities			
Long term borrowings	03	64,328,195	318,845,790
Deferred tax liability		-	14,543,739
Long term provisions	04	30,883,350	28,491,093
		95,211,545	361,880,622
Current Liabilities			
Short term borrowings	05	698,091,918	204,411,575
Trade payables		225,325,934	470,570,726
Other current liabilities	06	277,499,505	56,747,608
Short term provisions	07	1,966,490	-
		1,202,883,847	731,729,909
TOTAL		1,465,967,531	1,935,543,177
ASSETS			
Non Current Assets:			
Fixed Assets:			
Tangible Assets	08	513,232,744	623,037,063
Intangible Assets		2,054,739	4,214,154
Capital Work-in-Progress		-	568,500
		515,287,483	627,819,717
Non Current Investments	09	10,963,800	122,093,050
Long Term Loans and Advances	10	242,874,744	196,333,425
Current Assets:			
Inventories	11	249,436,188	443,463,635
Trade Receivables	12	384,203,753	101,474,299
Cash and Bank Balances	13	3,669,037	392,521,492
Other Current Assets	14	59,532,526	51,837,559
		696,841,504	989,296,985
TOTAL		1,465,967,531	1,935,543,177

The Notes form an integral part of these financial statements

1-22

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi
Partner.

Membership No: 22958

Mysore, 29th November, 2012

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR 18 MONTHS ENDED 30TH SEPTEMBER, 2012

	Notes	18 months ended 30 th September 2012 Rs.	12 months ended 31 st March 2011 Rs.
REVENUE			
Revenue from Operations	15	2,107,508,735	1,637,079,598
Less: Excise Duty		130,512,831	145,432,389
		1,976,995,904	1,491,647,209
Other Income	16	5,128,803	6,117,538
TOTAL REVENUE		1,982,124,707	1,497,764,747
EXPENSES			
Cost of materials consumed		833,169,562	989,266,368
Purchase of Stock-in-trade (Foreign)		616,296,066	-
Changes in inventories of finished goods, Work-in-progress and Stock-in-trade	17	153,367,496	(13,341,489)
Employee benefits Expenses	18	167,624,547	121,828,521
Finance costs	19	166,563,480	94,408,057
Depreciation & Amortisation expense		60,426,824	35,739,094
Other Expenses	20	401,512,211	254,950,861
TOTAL EXPENSES		2,398,960,186	1,482,851,412
(Loss) / Profit before Exceptional Items and Tax		(416,835,479)	14,913,335
Exceptional items	21	298,158,759	-
(Loss)/ Profit before Tax		(714,994,238)	14,913,335
Tax Expense			
- Taxes for earlier years		1,205,629	73,848
- Deferred tax for earlier years		(14,543,739)	545,008
(Loss) / Profit for the Period		(701,656,128)	14,294,479
Earning per Share			
Basic		(12.77)	0.55
Diluted		(12.77)	0.55
The Notes form an integral part of these financial statements	1-22		

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**
Chartered Accountants

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director

M. Gandhi

Partner.

Membership No: 22958

Mysore, 29th November, 2012

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
1. SHARE CAPITAL		
AUTHORISED		
5,60,00,000 (3,60,00,000 in Previous Year)		
Equity shares of Rs.10/- each	560,000,000	360,000,000
ISSUED, SUBSCRIBED AND PAID UP		
5,49,42,142 (2,61,84,071 in Previous Year)		
Equity shares of Rs. 10/- each fully paid up	549,421,420	261,840,710

Particulars	30 th September 2012		31 st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
Of the Above, Shares allotted as fully paid up without payment being received in cash:-				
(i) On 27th January 2011 as per scheme of amalgamation of erstwhile Bhoruka Agro Greens Ltd duly approved by Hon'ble High Court of Karnataka	5,903,333	59,033,330	5,903,333	59,033,330
(ii) On 18th October 2011 as bonus shares by capitalization of Securities Premium Account.	27,471,071	274,710,710	-	-

The Company has only one Class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

Reconciliation of the Number of Shares Outstanding:

Particulars	30 th September 2012		31 st March 2011	
	No. of Shares	Rupees	No. of Shares	Rupees
Shares at the beginning of the year	26,184,071	261,840,710	7,535,900	75,359,000
Allotted on Conversion of Warrants	1,287,000	12,870,000	430,222	4,302,220
Allotted on Amalgamation, on Preferential basis and in lieu of GDR	-	-	18,217,949	182,179,490
Allotted as Bonus Shares	27,471,071	274,710,710	-	-
Shares at the end of the year	54,942,142	549,421,420	26,184,071	261,840,710

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Details of shareholders holding more than 5% shares

Name of the Shareholder	30 th September 2012		31 st March 2011	
	No. of Shares held	% of Holdings	No. of Shares held	% of Holdings
Raj Kumar Aggarwal	36,58,282	6.66	13,51,091	5.16
Rockstrong Investments Pvt Ltd	28,06,666	5.11	6,78,333	2.59

2. RESERVES AND SURPLUS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
Amalgamation Reserve	75,720,251	78,571,757
Less: Expenses on Amalgamation	-	2,851,506
	75,720,251	75,720,251
Capital Reserve		
As per Last Balance Sheet	57,500	57,500
Securities Premium Account		
As per Last Balance Sheet	440,794,054	58,500,000
Additions during the Year	44,920,051	402,286,838
Less: Expenses on Issue of Shares	-	19,992,784
Utilised for issue of bonus shares	274,710,710	-
	211,003,395	440,794,054
Central Subsidy		
As per Last Balance Sheet	1,500,000	1,500,000
General Reserve		
As per Last Balance Sheet	20,000,000	20,000,000
Less:- Transfer to Surplus as per Statement of Profit & Loss	(20,000,000)	-
	-	20,000,000
Surplus as per Statement of Profit & Loss		
As per Last Balance Sheet	11,825,702	2,504,512
Add: Transferred from General Reserve	20,000,000	-
(Loss)/Profit of the period	(701,656,128)	14,294,479
	(669,830,426)	16,798,991
	(381,549,281)	554,870,796

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**3. LONG TERM BORROWINGS**

Particulars	Non Current		Current Maturities	
	30 th Sept., 2012	31st March 2011	30 th Sept., 2012	31 st March 2011
	Rupees	Rupees	Rupees	Rupees
Secured				
Term Loans				
From Banks	-	234,444,044	223,949,927	44,918,887
Other Loans				
From Banks	55,195	1,778,746	731,678	2,119,189
Unsecured				
Other Loans	64,273,000	82,623,000	-	-
	64,328,195	318,845,790	224,681,605	47,038,076

Other Information Pertaining to Nature of security

Particulars of Nature of Security	Security to the extent	
	30 th September 2012 Rs.	31 st March 2011 Rs.
1. Hypothecation of Stocks, receivables, dies & other assets including incentives, duty draw back & other current assets.	92,20,41,845	48,37,74,506
2. Pledge of 51,250 equity shares of TCI Industries Limited and 75,500 shares of TCI Finance Ltd		
3. Flats at Bangalore and Mumbai. Immoveable property at Mysore.		
4. EM of Flat No. 1001, 1002, 10 th Floor, Western Portion of Mittal Tower, MG Road, Bangalore.		
5. Land and Building situated at, Hebbal Industrial Area, Mysore.		
6. Extn of EM of factory land and building.		
Details of other Unsecured Loans		
Karnataka State Development Loan	923,000	923,000
From Related Parties	41,873,356	63,700,000
Other Loans & Advances	24,201,018	18,000,000
	66,997,374	82,623,000
4. LONG TERM PROVISIONS		
For Employee Benefits	30,883,350	28,491,093
	30,883,350	28,491,093

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
5. SHORT TERM BORROWINGS		
Secured		
Loans Repayable on Demand from Banks		
Working Capital Loans From Bank	698,091,918	204,411,575
(Treated as non performing assets by Bank since 31 st December, 2011 and continuing default in repayment of loan and interest)		
(Including foreign currency loan (FCNR) of Rs Nil (Previous year Rs. 11,34,39,608))		
Secured by way of First Charge on all immovable and movable assets, both present and future, of the company.		
In addition, the above loans are guaranteed by the Managing Director and Executive Director.		
	698,091,918	204,411,575
6. OTHER CURRENT LIABILITIES		
Current Maturities of Long - Term Debt		
Secured		
Term Loans		
From Banks	223,949,927	44,918,887
(Treated as non performing assets by Bank since 31 st December, 2011 and continuing default in repayment of loan and interest)		
Secured by way of First Charge on all immovable and movable assets, both present and future, of the company.		
In addition, the above loans are guaranteed by the Managing Director and Executive Director.		
Others Loans		
From Banks	731,678	2,119,189
Secured by hypothecation of Vehicles acquired under hire purchase agreements		
Unsecured		
Other Loans	1,000,000	
Advances from Customers	32,324,658	-
Trade / Security Deposits	8,313,118	3,371,605
Interest Accrued and Due on other Borrowings	1,724,374	-
Statutory Remittances	1,205,118	1,064,984
Others	8,250,632	5,272,943
	277,499,505	56,747,608
7. SHORT TERM PROVISIONS		
Bonus payable	1,966,490	-
	1,966,490	-

8. FIXED ASSETS

Particulars	Gross Block					Depreciation				Net Carrying Value		
	As at 01.04.2011	Added on Amalgamation	Additions during the period	Deductions during the period	Balance as at 30.09.2012	As on 01.04.2011	Added on Amalgamation	For the period	Adjustment on deductions	Total depreciation	As at 30.09.2012	As at 31.03.2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets												
Land	7,047,838	-	-	-	7,047,838	-	-	-	-	-	7,047,838	7,047,838
Buildings	224,025,973	-	-	718,120	223,307,853	33,493,407	-	11,219,894	331,240	44,382,061	178,925,794	190,532,567
Plant & Machinery	465,489,197	-	4,828,140	61,799,067	408,518,270	110,967,249	-	35,561,095	8,274,990	138,253,354	270,264,916	354,521,948
Electrical Installations	43,907,054	-	-	3,467,713	40,439,341	13,789,144	-	4,117,083	3,467,689	14,438,538	26,000,803	30,117,910
Office Equipments	11,328,997	-	13,328	6,090,036	5,252,289	7,469,992	-	1,426,970	5,137,589	3,758,373	1,493,916	3,860,006
Computers	4,419,445	-	174,341	-	4,593,786	1,287,780	-	1,103,721	-	2,391,501	2,202,285	3,131,665
Furniture & Fixtures	8,719,714	-	-	1,963,986	6,755,728	2,571,790	-	700,365	1,546,792	1,725,363	5,030,365	6,147,922
Vehicles	18,495,357	-	57,266	3,405,851	15,146,772	7,671,840	-	2,399,188	2,076,487	7,994,541	7,152,231	10,823,517
Agricultural Assets	22,881,377	-	-	-	22,881,377	6,027,688	-	1,739,093	-	7,766,781	15,114,596	16,853,689
TOTAL	806,314,952	-	5,073,075	77,444,773	733,943,254	183,277,890		58,267,409	20,834,787	220,710,512	513,232,744	623,037,062
Intangible Assets												
Computer Software	8,872,901	-	-	-	8,872,901	4,658,747	-	2,159,415	-	6,818,162	2,054,739	4,214,154
GRAND TOTAL	815,187,852		5,073,075	77,444,773	742,816,154	187,936,637	-	60,426,824	20,834,787	227,528,674	515,287,482	627,251,215
Previous Year 2011 (12 Months)	710,763,220	29,012,792	76,294,204	882,364	815,187,852	147,855,207	4,918,884	35,739,094	576,548	187,936,637	627,251,215	
Capital Work-in-Progress												568,500
TOTAL												623,605,562

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
9. NON CURRENT INVESTMENTS (at cost)		
Non -Traded		
Quoted		
Fully paid-up Equity Shares of Joint Stock Companies (Pledged with the Bank against credit facilities)		
51,250 shares of TCI Industries Ltd of Rs. 10 each	8,712,500	8,712,500
75,500 shares of TCI Finance Ltd of Rs. 10 each	2,240,000	2,240,000
Market Value of quoted Investments Rs. 426,55,700 (Previous year 760 lacs)		
Unquoted		
Government Securities		
National Savings Certificates / Indira Vikas Patras (Deposited with Sales Tax and Excise Departments)	11,300	59,300
In Subsidiary		
1 Shares of Bhoruka Aluminium FZE (equivalent AED 35000)	-	111,081,250
	10,963,800	122,093,050
10. LONG TERM LOANS AND ADVANCES		
Unsecured		
Security Deposits	8,742,870	8,033,425
Rent Deposit to Director & Relatives	860,000	980,000
Rent Deposit for Officers	385,000	1,860,000
Loans and Advances to related Parties	2,722,040	-
Loans and Advances to Associates	157,270,000	136,710,000
Loans and Advances to Others	72,894,834	48,750,000
	242,874,744	196,333,425
11. INVENTORIES		
(As taken valued and certified by the management)		
AT LOWER OF COST AND NET REALISABLE VALUE		
Finished goods	9,095,227	62,767,161
Raw materials	3,757,504	35,142,515
Work in progress	32,760,473	131,681,969
Stores, spares & consumables (At cost)	203,822,984	213,097,924
Coffee Stock	-	774,066
	249,436,188	443,463,635
12. TRADE RECEIVABLES		
Unsecured , Considered Good		
Outstanding more than six month from the due date	7,260,106	2,068,019
Others	376,943,647	99,406,280
	384,203,753	101,474,299

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
13. CASH AND BANK BALANCES		
Cash in hand	1,312,495	1,383,345
Balances with banks		
- In Current accounts	1,709,442	352,030,147
- In Deposit accounts*	647,100	39,108,000
*Deposited with bank against Guarantee issued and as Margin Money		
	3,669,037	392,521,492
14. OTHER CURRENT ASSETS		
Unsecured		
Trade Advances - Considered Good	11,625,875	16,643,416
Advance to Staff	198,339	1,414,873
Other Deposits	516,405	1,617,678
Advance Payment of Taxes	874,833	752,869
Excise Duty	1,450,459	133,429
VAT Input Tax	44,827,102	30,373,947
Interest Receivable	39,514	901,347
	59,532,526	51,837,559
15. REVENUE FROM OPERATIONS		
Sale of Extrusions	1,575,294,122	1,629,381,400
Sale of Agricultural Products	4,072,821	4,559,665
Job Work Charges	4,528,559	3,138,533
Stock-in-trade (Foreign)	523,613,233	-
	2,107,508,735	1,637,079,598
16. OTHER INCOME		
Interest Income	3,553,822	2,052,395
Exchange Rate Difference	-	3,885,143
Rent	714,300	180,000
Profit on sale of Assets	-	-
Miscellaneous	860,681	-
	5,128,803	6,117,538
17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Opening Stock :		
Finished goods	62,767,161	54,064,059
Goods at bonded warehouse	-	6,742,341
Work in progress	131,681,969	121,075,307
Coffee Stock	774,066	
	195,223,196	181,881,707
Less : Closing Stock		
Finished goods	9,095,227	62,767,161
Coffee Stock	-	774,066
Work in progress	32,760,473	131,681,969
	41,855,700	195,223,196
	153,367,496	(13,341,489)

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	30 th September 2012 Rs.	31 st March 2011 Rs.
18. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	149,705,193	107,015,414
Contribution to Provident and other funds	6,743,752	4,583,107
Workmen and staff welfare expenses	11,175,602	10,230,000
	<u>167,624,547</u>	<u>121,828,521</u>
19. FINANCE COSTS		
Interest	147,151,457	75,665,914
Bank Charges	19,412,023	18,742,143
	<u>166,563,480</u>	<u>94,408,057</u>
20. OTHER EXPENSES		
Consumption of stores, spares & consumables	120,223,729	58,332,270
Power and fuel	128,251,869	114,210,939
Job Work Charges - Expenses	10,995,592	7,368,017
Others	1,522,879	1,772,473
Repairs and maintenance to buildings	234,730	559,104
Repairs and maintenance to machineries	3,189,337	2,532,781
Freight outward	-	2,677,009
Packing charges	20,875,126	22,476,277
Vat and Octroi	1,862,731	2,742,122
Sales Promotion & Advertisement	10,823,416	9,285,548
Discount & commission	8,723,039	454,567
Rent	5,542,840	6,719,758
Rates and taxes	3,664,030	785,739
Repairs & Maintenance - Others	4,073,236	2,937,364
Telephone charges	3,215,499	1,875,566
Printing and stationery	822,343	1,547,412
Insurance	1,811,572	927,712
Legal and consultancy charges	6,062,731	4,432,353
Travelling & conveyance	9,906,609	9,352,192
Directors Fees	570,000	780,000
Auditors Remuneration		
- Audit Fees	60,000	60,000
- Tax Audit Fees	15,000	15,000
Bad Debts, Irrecoverable balances written off	21,809,858	-
Miscellaneous expenses	4,498,752	2,922,862
Donations	150,201	2,000
Loss on discard/sale of Assets	30,958,981	181,796
Exchange Difference	1,648,111	-
	<u>401,512,211</u>	<u>254,950,861</u>
21. EXCEPTIONAL ITEMS		
	<u>298,158,759</u>	<u>-</u>

Includes

(i) Correction of errors in the earlier years in valuation of inventories Rs 1328.77 lakh.

(ii) Write off of old outstanding receivables / payables found on reconciliation to be not actually realisable Rs1652.82 lakh

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER, 2012 (Rs. in lakh)

Particulars	18 months ended 30 th September, 2012	12 months ended 31 st March, 2011
A. Cash flow from Operating activities		
Net profit/(loss) before Tax and Exceptional Item as per Statement of Profit & Loss	(7,149.94)	149.13
Adjustment for		
Depreciation & Amortisation Expense	604.27	357.39
Loss on Sale/discard of Fixed Assets	309.59	1.82
Finance Cost	1,665.63	944.08
Interest Income	(35.54)	(20.52)
Operating profit before working capital changes	(4,605.99)	1,431.90
Changes In Working Capital		
Adjustments for Increase/Decrease in operating Assets:		
Inventories	1,940.27	(764.14)
Trade and other receivables	(2,827.29)	495.06
Long Term Loans and Advances	(465.41)	28.70
Other Current Assets	(76.95)	(518.38)
	(1,429.38)	(758.76)
Adjustments for Increase/Decrease in operating Liabilities:		
Trade payables	(2,452.45)	63.51
Other Non Current and Current Liabilities	2,251.11	590.42
Tax paid	(12.06)	0.74
	(213.40)	654.67
Net Cash Generated from/(used in) operating Activities	(6,248.77)	1,327.81
B. Cash flow from Investment Activities		
Capital Expenditure on Fixed Assets	(45.05)	(975.97)
Proceeds from sale of Fixed assets	256.51	1.24
Investment	1,111.29	(1,111.29)
Net cash used in Investing activities	1,322.75	(2,086.02)
C. Cash flow from Financing Activities		
Proceeds from issue of Share Capital	528.17	6,444.36
Share Warrants	(252.21)	252.16
Receipts/Repayment of Long Term Borrowings (Secured)	(2,361.68)	(2,767.40)
Receipts/Repayment of Unsecured Loans	(183.50)	(776.45)
Receipts/Repayment of Short Term Borrowings (Secured)	4,936.80	2,044.12
Interest on Borrowings	(1,630.09)	(923.56)
Net cash from financing activities	1,037.49	4,273.23
Net increase in cash and cash equivalents (A+B+C)	(3,888.53)	3,515.02
Opening balance of cash & cash equivalents	3,925.22	410.20
Closing balance of cash & cash equivalents	36.69	3,925.22

This is the Cash Flow Statement referred to in our report of even date

In terms of our report of even date

for **R.S. AGARWALA & CO.,**
Chartered Accountants

M. Gandhi
Partner.

Membership No: 22958

Mysore, 29th November, 2012

For and on behalf of the Board

Dr. B.L. Amla
Chairman

R.K. Aggarwal
Managing Director

Rajat Agarwal
Executive Director



Bhoruka Aluminium Limited

Registered Office:
1, KRS Road, Metagalli, Mysore - 570 016

PROXY FORM

Regd. Folio No.: _____

No. of shares held : _____

DP Client ID: _____

I/We _____ of _____
being member/members of Bhoruka Aluminium Limited, hereby appoint _____ of _____
or failing him/her _____ of _____ as my/our proxy to vote
for me/us and my/our behalf at the **32nd Annual General Meeting of the Company** to be held at the
Registered Office of the Company at No. 1 K.R.S. Road, Metagalli, Mysore-570 016 at **11:30 a.m. on Monday,**
the **25th February, 2013** or at any adjournment thereof.

Signed this _____ day of _____ 2013.

Affix
Revenue
Stamp One
Rupee

Signature of the Shareholder

Note: The Proxy Form must be deposited at the Registered Office of the Company at No.1 K.R.S.Road, Metagalli, Mysore-570 016, not less than forty-eight hours before the commencement of the meeting.

Bhoruka Aluminium Limited

Registered Office:
1, KRS Road, Metagalli, Mysore - 570 016

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Regd. Folio No.: _____

No. of shares held : _____

DP Client ID: _____

I / We, certify that I / We , am a Member / Proxy for the Member of the Company, I hereby record my presence at the **32nd Annual General Meeting** of the Company being held at the Registered Office of the Company at No.1 K.R.S. Road, Metagalli, Mysore-570 016, at **11:30 a.m. on Monday, the 25th February, 2013.**

Name and Address of the Shareholder _____

Signature of the

Shareholder / Proxy _____

