



**BHORUKA ALUMINIUM LIMITED**  
**34<sup>th</sup> Annual Report 2013-14**



## **CORPORATE INFORMATION**

CIN:L27203KA1979PLC003442

E-mail:company.secretary@bhorukaaluminium.com

website: www.bhorukaaluminium.com

Telephone: 0821-2415290

<b>Board of Directors</b>	Shri R.K. Aggarwal Shri S.P. Shanthinath Shri Ram Ekbal Singh Shri Shroff Puttabasappa Manjunath Shri Akhilesh Kumar Pandey	<i>Chairman &amp; Managing Director</i> <i>Independent Director</i> <i>Independent Director</i> <i>Additional Independent Director</i> <i>Whole Time Director</i>
<b>Principal Bankers</b>	State Bank of India	
<b>Statutory Auditors</b>	M/s. R.S Agarwala & Co., Chartered Accountants	
<b>Registered Office</b>	427E, 2nd Floor Hebbal Industrial Area Mysore – 570 016	
<b>Registrars &amp; Share Transfer Agents</b>	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 <b>Regd.Office :</b> Karvy House 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034	

## **34<sup>th</sup> Annual General Meeting**

**Date :**  
**Tuesday, 30<sup>th</sup> September, 2014**

**Time : 9:30 a.m**

**Venue :**  
**Hotel Royal Inn**  
**# 435, KRS Road, Metagalli, Mysore - 570 016**

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## NOTICE

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the members of the Boruka Aluminium Limited (CIN: L27203KA1979PLC003442) will be held on **Tuesday, the 30<sup>th</sup> September, 2014 at 9:30 a.m.** at Hotel Royal Inn, # 435 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 31<sup>st</sup> March, 2014 and the Profit and Loss Account for the financial year ended as on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:  
“**RESOLVED THAT** M/s. R.S. Agarwala & Co. (Firm Registration No. 00049S) Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

#### 3. **Appointment of Shri Ram Ekbal Singh as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Ram Ekbal Singh (holding DIN: 06389606), a Non-Executive Director of the Company, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, with effect from 30<sup>th</sup> September, 2014 up to 29<sup>th</sup> September, 2019.”

#### 4. **Appointment of Shri Shroff Puttabasappa Manjunath as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Shroff Puttabasappa Manjunath, (holding DIN: 06719007), who was appointed as an Additional Director of the Company with effect from 9<sup>th</sup> November, 2013, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, with effect from 30<sup>th</sup> September, 2014 up to 29<sup>th</sup> September, 2019.”

**5. Appointment of Shri Saligrama Parswannath Shanthinath as an Independent Director**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Saligrama Parswannath Shanthinath (holding DIN: 05320198), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for five consecutive years, with effect from 30<sup>th</sup> September, 2014 up to 29<sup>th</sup> September, 2019.”

**6. Re-appointment of Shri Akhilesh Kumar Pandey as Whole Time Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Articles of Association of the Company and Sections 196, 197, 203 read with Schedule V Part I, Part II and Section II of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel Rules 2014) including amendment, modification, variation or re-enactment thereof for the time being in force, (corresponding to Sections 198, 269, 274, 309 and 310 read with Schedule XIII to the Companies Act, 1956) and further subject to any other statutory approvals, if required, the consent of the Company be and is hereby accorded to the re-appointment of Shri Akhilesh Kumar Pandey (holding DIN: 03325271), who was re-appointed by the Board of Directors as Whole Time Director of the Company with effect from 9th November, 2013 for a period of 3 years on the terms and conditions as set out here-in-below, with a liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and remuneration so as to not exceed the limits specified in Schedule V of the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Shri Akhilesh Kumar Pandey:

- a) Date of Appointment : 9<sup>th</sup> November, 2013
- b) Tenure : 3 (three) years
- c) Remuneration : Remuneration payable to Shri Akhilesh Kumar Pandey shall be as follows:

		Per Month
Sl.No.	Particulars	Amount in Rs.
1	Basic Salary	15,000
2	House Rent Allowance (HRA)	7,500
3	Conveyance	6,000
4	Special Allowance	11,500
	Total	40,000

d) Other allowances:

Medical Reimbursement : 5% of Basic annual salary

Leave Travel Allowance : 15% of Basic annual salary

Contribution to Provident Fund : 12% of Basic salary

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of tenure of Shri Akhilesh Kumar Pandey as Whole Time Director of the Company, the payment of salary, perquisites and other allowances as approved by this resolution shall be payable as minimum remuneration to him.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things as may be necessary to give effect to this resolution.”

**7. Amendment to the Articles of Association of the Company**

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

“**RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s), enactment (s) or re-enactment (s) thereof for the time being in force), the Articles of Association of the Company be and is hereby amended by altering the existing Article 206 in the following manner:

Existing Article	Amended Article
A Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation and if he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director	A Managing Director or Whole Time Director or Executive Director shall, while he or she continues to hold that office, be subject to retirement by rotation and if he or she ceases to hold the office of Director, he or she shall ipso facto and immediately cease to be a Managing Director or Whole Time Director or Executive Director as the case may be.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorised to take all such steps and to do all such acts, deeds and things as may be necessary from time to time and give such directions as may be in its absolute discretion deemed necessary and settle any questions that may arise in this regard.”

**8. Variation in the terms of appointment of Shri Akhilesh Kumar Pandey, Whole Time Director**

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Shri Akhilesh Kumar Pandey (holding DIN: 03325271), Whole Time Director, by making his office liable to retire by rotation.”

**9. Variation in the terms of appointment of Shri R.K. Aggarwal, Managing Director**

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

**“RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, the approval of the Company be and is hereby accorded to vary the terms of appointment of Shri R.K. Aggarwal (holding DIN: 01559120), Managing Director, by making his office liable to retire by rotation.”

**By order of the Board**

Place : Mysore  
Date : 29<sup>th</sup> May, 2014

R.K. Aggarwal  
Chairman & Managing Director  
(DIN: 01559120)

**NOTES:**

- 1. The relevant explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 (corresponding Section 173 of the Companies Act, 1956) relating to the SPECIAL BUSINESS to be transacted at the Meeting under Item Nos. 3 to 9 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. Members / Proxies should bring the duly filled Attendance Slip attached herewith to attend the meeting.
5. Pursuant to Section 91 of the Companies Act, 2013 (corresponding to Section 154 of the Companies Act, 1956), the Register of Members and Share Transfer Books will remain closed from **Friday, the 26<sup>th</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014** (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. 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.
8. 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.
9. 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.



## 10. UNCLAIMED DIVIDENDS

- a) All the Members and Beneficial Owners who have not 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](mailto: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. 427E, 2<sup>nd</sup> Floor, Hebbal Industrial Area, Mysore-570 016.
  - c) In terms of Section 124 (5) of the Companies Act, 2013 (corresponding to 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. Accordingly, the due date for transfer of Unclaimed dividend to Central Government is 20.07.2015.
  - d) Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th September, 2013 (date of last Annual General Meeting) on the website of the Ministry of Corporate Affairs (MCA).
  - e) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Private Limited, Hyderabad.
11. The brief profile of the Directors proposed to be appointed / re-appointed is furnished in the Corporate Governance Report.
  12. Service of document 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.

## 13. Voting through Electronic Means

Pursuant to Clause 35B of the Listing Agreement and in compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, it is mandatory to extend to the Members of the Company, the facility to vote at the AGM by Electronic Means.

Members of the Company can transact all the items of the business through Electronic Voting System as contained in the Notice of the AGM.

The e-voting facility will be available at the link <https://evoting.karvy.com> during the following voting period:

Commencement of e-voting: **From 9 A.M. on 24<sup>th</sup> September, 2014 to 6 P.M. on 26<sup>th</sup> September, 2014.**

**E-voting shall not be allowed beyond 6 P.M on 26<sup>th</sup> September, 2014.** During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialised

form, as on **Friday, 22<sup>nd</sup> August, 2014 (being the Cut-off date)** may cast their vote electronically.

The login ID and password for e-voting along with process, manner and instructions for e-voting is being sent to the members who have registered their e-mail Ids with the Company / Depository Participants alongwith physical copy of the notice. Those members who have registered their e-mail Ids with the Company/their respective Depository Participants are being forwarded the login ID and Password for e-voting along with process, manner and instructions by e-mail.

Mr. Sunil Kumar B.G. of M/s Sunil B.G. and Associates, Company Secretaries (CP No 8900) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make Scrutinizer's Report on the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the Stock Exchange(s).

Electronic copy of the **Notice of the 34<sup>th</sup> Annual General Meeting** of the Company, inter alia, indicating the **process and manner** of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose e-mail Ids are registered with the Company / respective **Depository Participants for communication purposes**, unless any member has requested for a hard copy of the same.

For members who have not registered their e-mail address, physical copies of the Notice of the 34<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form being sent in the permitted mode.

Those members who have not casted their right to vote electronically and attend the 34<sup>th</sup> Annual General Meeting in person, the Ballot /Poll Form will be distributed to the Members / Proxies at the venue of the Annual General Meeting.

The Company has engaged the services of M/s. Karvy Computershare Private Limited as the authorised agency to provide the e-voting facilities as per instructions below.

Please read the instructions for members for e-voting before exercising the vote.

#### **INSTRUCTIONS FOR E-VOTING**

##### **A. Members who received the notice through e-mail from Karvy:**

1. Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
2. Enter the login credentials (i.e., User ID and password mentioned in your email). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

##### **User-ID For Members holding shares in Demat form:**

- a) For NSDL: 8 character DP ID followed by 8 digit Client ID
- b) For CDSL: 16 digit Beneficiary ID/Client ID

##### **For Members holding shares in Physical form:**

Event No.(EVENT) followed by Folio No. registered with the Company.

Password: Your unique password is printed overleaf/provided in the email forwarding the electronic notice.

3. After entering these details appropriately, Click on "LOGIN".
  4. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
  5. After changing password, you need to login again with the new credentials.
  6. On successful login, the system will prompt you to select the "EVENT" i.e. **Bhoruka Aluminium Limited**
  7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "**FOR/AGAINST**" or alternatively, you may partially enter any number in "**FOR**" and partially in "**AGAINST**" but the total number in "**FOR/AGAINST**" taken together should not exceed your total shareholding. If the shareholder does not indicate either "**FOR**" or "**AGAINST**" it will be treated as "**ABSTAIN**" and the shares held will not be counted under either head.
  8. You may then cast your vote by selecting an appropriate option and click on "Submit", a confirmation box will be displayed. **Click "OK" to confirm else "CANCEL" to modify.** Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution.
  9. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID:, with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
- B. In case of Members receiving AGM Notice by Post:**
1. Please use the User ID and initial password as provided overleaf.
  2. Please follow all steps from Sr.No. 1 to 9 as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on 24.09.2014 at 9.00 A.M. and ends on 26.09.2014 at 6.00 P.M.** In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.
- D. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
  - E. The Board of Directors of the Company at their meeting held on 29<sup>th</sup> May, 2014 has appointed Mr. Sunil Kumar B.G. M/s. Sunil B.G. And Associates, Company Secretaries, Mysore as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final.
  - F. The Scrutinizer shall, within a period of three working days from the date of conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the

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employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, and submit to the Chairman.

- G. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on **30<sup>th</sup> September, 2014** and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- H. The result of the voting along with Scrutinizers' Report will be communicated to the stock exchange and will also be hosted on the website of the Company [www.bhorukaaluminium.com](http://www.bhorukaaluminium.com) and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of resolutions.
- I. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders / beneficial owners as on **22<sup>nd</sup> August 2014.( being the cut off date)** Members holding shares either in physical form or dematerialized form may cast their vote electronically.

**By order of the Board**

Place : Mysore  
Date : 29<sup>th</sup> May, 2014

R.K. Aggarwal  
Chairman & Managing Director  
(DIN: 01559120)

## ANNEXURE TO THE NOTICE

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) (corresponding to Section 173 of the Companies Act, 1956).**

### **Item Nos. 3 to 5**

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchange, appointed Shri Ram Ekbal Singh, Shri Shroff Puttabasappa Manjunath and Shri Saligrama Parswannath Shanthinath as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) of the Act which has come into force with effect from 1<sup>st</sup> April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from 1st October, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors from **30<sup>th</sup> September, 2014 up to 29<sup>th</sup> September, 2019**.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is furnished in the Corporate Governance Report.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ram Ekbal Singh, Shri Shroff Puttabasappa Manjunath and Shri Saligrama Parswannath Shanthinath as Independent Directors of the Company. Accordingly, the Board commends the **Ordinary Resolutions** set out at **Item Nos. 3 to 5 of the Notice** for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos.3 to 5 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at **Item Nos.3 to 5 of the Notice**.

### **Item No.6**

The Board of Directors of your Company at their meeting held on 9<sup>th</sup> November, 2013 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 Akhilesh Kumar Pandey as Whole Time Director of the Company with effect from 9th November, 2013 for a period of 3 years.

The information as required under first proviso to sub para (B) of Section II, Part II of Schedule V of the Companies Act, 2013 (corresponding sub-para (B) of Section II, Part II Schedule XIII to the Companies Act, 1956) is as under:

**1. 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 – N.A.
4. Financial Performance: (Rs.in Lakh)

Particulars	Financial Year		
	2013-14 (12 months)	2012-13 (6 months)	2011-12 (18 months)
Turnover includes other income	5049.76	2613.18	15838.96
Profit/(Loss) before tax	3669.03	(870.47)	(6206.62)
Profit/(Loss) after tax	3128.11	(870.47)	(6073.24)

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 Collaborations if any: Not Applicable

**II. INFORMATION ABOUT THE APPOINTEE**

Name of the Appointee	Shri Akhilesh Kumar Pandey
1. Background details	Shri Akhilesh Kumar Pandey, aged 49 years is holding Post Graduate Degree in Master of Social Work (MSW) from Banaras Hindu University, U.P.
2. Past Remuneration	Rs.52400/= per month
3. Job Profile and his suitability	He has over 20 years of industrial experience in statutory compliances.
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 would be	Shri Akhilesh Kumar Pandey possesses an industrial experience of over 20 years in statutory compliances. Considering his experience, functions and responsibilities,

with reference to the country of his Origin.	the remuneration package is commensurate with the present levels of remuneration package is 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 Akhilesh Kumar Pandey is not related to any of the Directors of the Company and not have any pecuniary relationship or interest with the Company except remuneration payable to him as Whole Time Director.

### III. 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 for improvement	The Company has restructured its business activities.
3. Expected increase in productivity and profits in measurable terms	Please Refer note below.

\*Note: As part of restructuring its business activities and in accordance with the approval granted by the Shareholders through Postal Ballot for transfer of Aluminium Extrusion Business by way of slump sale pursuant to Section 293(1)(a) of the Companies Act, 1956, the Company has completed its Slump Sale Transaction by transferring the Aluminium Extrusion Business Assets on an, as-is where is basis as a going concern to YKK Holding Asia Pte. Ltd., Singapore on 30<sup>th</sup> May, 2013 after due compliance of statutory requirements and with the consent of the Secured Lenders.

Hence, presently the Company is not carrying any manufacturing activities of aluminium extrusion business with effect from 1<sup>st</sup> June, 2013. However, the Company is continuing with other minimal activities.

Accordingly, the Board commands the Special Resolution as set out at Item No. 6 of the Notice for approval by the Members.

This may be treated as an abstract / memorandum setting out the terms of employment under Section 190 of the Companies Act, 2013 (corresponding to section 302 of the Companies Act, 1956).

Except Shri Akhilesh Kumar Pandey, being an appointee, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

**Item No. 7**

Considering the provisions of Section 152(6) of the Companies Act, 2013, it is proposed that the existing Article 206 of the Articles of Association of the Company be altered with respect to the term of office of Managing Director or Whole Time Director.

To ensure compliance with the said provisions, the Board, at its meeting held on 29<sup>th</sup> May, 2014, has approved seeking consent of the Members for altering the Clause relating to Non-retirement in Article 206 of the Articles of Association of the Company. Hence, a Special Resolution has been incorporated in the Notice for alteration of existing Article 206 of Articles of Association of the Company.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of Articles of Association would require approval of shareholders by way of Special Resolution. Accordingly, this matter has been placed before the Shareholders for approval.

The existing Articles of Association of the Company along with the Articles of Association incorporating therein the proposed alteration is available for inspection to all the members of the Company at the Registered Office of the Company during business hours on all week days.

Except Shri R.K. Aggarwal, Managing Director and Shri Akhilesh Kumar Pandey, Whole Time Director, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.7 of the Notice.

**Item No.8**

Shri Akhilesh Kumar Pandey, was, by way of a resolution passed by the Board of Directors at their meeting held on 9th November, 2013 reappointed him as Whole Time Director of the Company for a period of 3 years subject to the approval of Shareholders at the ensuing Annual General Meeting and as per the terms of such appointment, was not liable to retire by rotation.

The provisions of the Companies Act, 2013 including provisions in relation to appointment of directors have been notified with effect from 1<sup>st</sup> April, 2014. In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall liable to determination by retirement by rotation. Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Shri Akhilesh Kumar Pandey be amended to provide that he shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of his appointment including remuneration approved by the Board of Directors on the recommendation of the Remuneration Committee held on 9<sup>th</sup> November, 2013 shall remain unchanged.

Except Shri Akhilesh Kumar Pandey, Whole Time Director, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.8 of the Notice.



**Item No. 9**

Shri R.K. Aggarwal, was, by way of a resolution passed at the Annual General Meeting of the Company held on 25<sup>th</sup> February, 2013, re-appointed as Managing Director of the Company for a period of 3 years with effect from 1<sup>st</sup> April, 2012 and as per the terms of such appointment, was not liable to retire by rotation.

The provisions of the Companies Act, 2013 including provisions in relation to appointment of directors have been notified with effect from 1<sup>st</sup> April, 2014. In accordance with Section 152(6) of the Companies Act, 2013, the period of office of at least two-third Directors of the Company shall liable to determination by retirement by rotation. Since the provisions of Section 152(6) are not applicable to Independent Directors, to ensure compliance with the provisions of Section 152(6), it is proposed that the terms of appointment of Shri R.K. Aggarwal be amended to provide that he shall be liable to retire by rotation at the Annual General Meeting of the Company as per the provisions of Section 152(6) of the Companies Act, 2013. The other terms and conditions of his appointment including remuneration approved at the Annual General Meeting held on 25<sup>th</sup> February, 2013 shall remain unchanged.

Except Shri R.K. Aggarwal, Managing Director, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No.9 of the Notice.

**By order of the Board**

Place : Mysore  
Date : 29<sup>th</sup> May, 2014

R.K. Aggarwal  
Chairman & Managing Director  
(DIN: 01559120)

## DIRECTORS' REPORT

The Board of Directors of your company hereby present the 34<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended **31<sup>st</sup> March, 2014**.

### 1. Review of Financial Results

The current year's Financial Statements of your Company have been prepared for a period of twelve months from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014. Hence, the figures for the current year are not comparable with the figures of the previous accounting period, which was of 6 months from 1<sup>st</sup> October, 2012 to 31<sup>st</sup> March, 2013.

The financial statements of the Company are prepared in compliance with the Companies Act 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 year ended	For the period ended
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013 (6 months)
Revenue from operations	77,312,412	261,318,292
Profit before Finance charges, depreciation & tax	(49,551,754)	(62,757,843)
Financial charges	9,675,487	6,913,606
Depreciation	7,734,238	17,375,953
Profit /(Loss) before tax and Exceptional items	(66,961,479)	(87,047,402)
Add: Exceptional items	433,864,727	-
Profit /(Loss) before tax	366,903,248	(87,047,402)
Tax Expense	54,092,377	-
Profit/(Loss) for the year	312,810,871	(87,047,402)

### 2. Operations

The company continued to work on its restructuring proposal after being classified as a Non Performing Asset by its principal bankers. As part of restructuring, to meet the pressing liabilities of secured lenders, in accordance with the approval granted by the Shareholders through postal ballot pursuant to Section 293 (1) (a) of the Companies Act, 1956, your Company has transferred the Aluminium Extrusion Business by way of slump sale to YKK Holding Asia Pte Ltd., Singapore on 30<sup>th</sup> May, 2013. The company will explore new business opportunities in the coming months, and will look to monetize assets to meet any outstanding liabilities.

### 3. Slump sale of Aluminium Extrusion Business Division

Pursuant to the Business Transfer Agreement (BTA) dated 1st March, 2013 and in accordance with the approval granted by the Shareholders through Postal Ballot for transfer of Aluminium Extrusion business by way of slump sale pursuant to Section 293(1)(a) of the Companies Act, 1956, the Company has transferred the Aluminium Extrusion Business division to an Indian subsidiary of YKK Holding Asia Pte Ltd. The sale comprises of all tangible and intangible

assets relating to the aluminium extrusion business division along with the anodizing and powder coating lines. The initial lump sum consideration was Rs.98.36 Crore after payment of consultancy fees and other expenses.

Upon acceptance of the compromised proposal of the Company by the secured lenders, the Company has repaid a major portion of the outstanding debt to secure a slump sale transaction. Company has paid Rs.85 crore out of the total principal outstanding of Rs.92.6 crore. The interest portion on the loans has been waived off by the creditors. The remaining Rs.7.6 crore is payable to secured lenders within next 2 years. The company had very limited options while negotiating with its secured lenders, and company is left with no revenue generating assets to repay the pending amount. Thus, the company faces a critical and challenging situation.

#### **4. Subsidiary Company**

As directed by the Central Government the financial data of the foreign subsidiary "Bhoruka Aluminium FZE" have been furnished under 'Details of Subsidiaries' forming part of the Annual Report. Pursuant to Accounting Standard (AS21) 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. These documents will be made available upon request by any member of the Company interested in obtaining the same. The annual accounts of subsidiary company will also be available for inspection during business hours at the Registered Office of the Company.

#### **5. Corporate Governance Report**

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI.

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.

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.

#### **6. Management's Discussion and Analysis Report**

Management's Discussion and Analysis Report for the year 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.

#### **7. Depositories**

The Company is registered both with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### **8. Directors**

##### **Appointment**

In terms of the Articles of Association of the Company, Shri Ram Ekbal Singh, Director retires at the ensuing Annual General Meeting.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shroff Puttabasappa Manjunath was appointed as an Additional Director designated as an Independent Director w.e.f. 9<sup>th</sup> November, 2013 and he shall hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite notice in writing from a member proposing Shri Shroff Puttabasappa Manjunath for appointment as an Independent Director.

In view of the provisions of section 149 of the Companies Act, 2013, the Board of your Company

has proposed the appointment of Shri Ram Ekbal Singh and Shri Saligrama Parswannath Shanthinath as Independent Directors at the ensuing Annual General Meeting of the Company. The Company has received requisite notices in writing from members proposing the candidature of Shri Ram Ekbal Singh and Shri Saligrama Parswannath Shanthinath for appointment as Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013.

The brief resume of the aforesaid Directors and other information has been detailed in the Corporate Governance Section of this report.

### **Resignation**

Shri Rajat Agarwal ceased to be the Executive Director of the Company with effect from 17.06.2013.

### **Retirement**

Dr. B.L. Amla, Chairman retired from the Board and the Audit Committee with effect from 09.11.2013. The Board has placed on record its appreciation of the valuable contribution made by him to the Company.

## **9. 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 Accounts for the year ended **31<sup>st</sup> March, 2014**, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 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 **31<sup>st</sup> March, 2014** and of the Profit of the company for the year 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 and 2013 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;

## **10. 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.

## **11. Auditors**

M/s. R.S. Agarwala & Co., (Firm Reg.No. 00049S) Chartered Accountants who are the statutory auditors of the Company, hold office till the conclusion of this Annual General Meeting and are eligible for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## **12. Auditors Observations**

Please refer Sl. No. 4 to Auditors Report and 3 a) and b) and 7(a) of Annexure to Independent Auditors Report

### **Management's Reply**

**4 & 3 a)** The Company has certain transactions with associate companies that have been classified as interest free loan based on the recommendation of experts. The Company is in the process of recovering such dues, but the likelihood of this is challenging given the difficult economic scenario. Legal notice has been sent to these Companies for recovery of dues.

**b)** The Company has given interest free loan to its 100% wholly owned subsidiary Bhoruka Aluminium FZE UAE for its principle business activities.

**7(a)** The Company has made provision for payment of Income tax dues on capital gains arising out of slump sale of aluminium extrusion business division. Due to severe financial constraint, the payment of income tax dues has been deferred and the payment will be made after arranging the funds.

### **13. Internal Auditor**

M/s. Rau & Nathan, Chartered Accountants has been appointed as an Internal Auditor for the Financial Year 2014-15 to conduct internal audit functions of the Company.

### **14. Cost Compliance**

Pursuant to Section 209 (1) (d) of the Companies Act, 1956, Cost Audit Report for the financial period ended 31<sup>st</sup> March, 2013 (6 months) was submitted to the Central Government on 27.09.2013.

Further, consequent to slump sale of aluminium extrusion business division effective 30<sup>th</sup> May, 2013, there is no manufacturing activities being carried out by the Company, the maintenance of cost records does not apply.

### **15. 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.

### **16. 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.

### **17. Acknowledgement**

The Directors acknowledge the support and assistance extended to us by the Central Government, State Governments, and government departments, bankers, shareholders, investors and employees in such a difficult phase.

**For and on behalf of the Board**

Place : Mysore  
Date : 29<sup>th</sup> May, 2014

R.K. Aggarwal  
Chairman & Managing Director  
(DIN: 01559120)

## Annual Report 2013-14

### 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

Consequent to slump sale of aluminium extrusion business division there is no manufacturing activities effective 1<sup>st</sup> June, 2013, hence nothing much to report in this regard.

##### A. POWER AND FUEL CONSUMPTION

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013 (6 months)
<b>1. Electricity:</b>		
<b>a. Purchased:</b>		
Karnataka Power Transmission Corporation Ltd. Units (KWH)	720,090	2,317,735
Total Amount (Rs.) (Inclusive of Demand Charges and Surcharge)	4,757,423	14,695,387
Rate per Unit (Rs.)	6.61	6.34
<b>b. Own Generation:</b>		
i. Through Diesel generation Units (KWH)	5,230	33,081
Unit per litre of Diesel Oil	2.80	3.98
Cost per Unit (Rs.)	16.15	13.55
ii. Through Stream Turbine/Generator	Nil	Nil
<b>c. Others - purchased (KWH)</b>	Nil	Nil
Rate per Unit (Rs.)	Nil	Nil
<b>2. Coal (Specify quality and Where used)</b>	Nil	Nil
<b>3. Furnace Oil</b>		
Quantity (Kgs)	28,128	78,315
Total Amount (Rs.)	1,218,777	3,418,208
Average rate (per Kg.) (Rs.)	43.33	43.65
Others – Internal Generation	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Products – Aluminium Extrusion		
Production (M.Tons)	338.62	1158.83
Electricity units/M. T.	2,142	2,029
Furnace Oil Kgs/MT	83.07	67.58
Coal (Specify quality)	Nil	Nil
Others (Specify)	Nil	Nil

**FORM B**

**FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF TECHNOLOGY ABSORPTION**

Consequent to slump sale of aluminium extrusion business division there is no manufacturing activities effective 1<sup>st</sup> June, 2013, hence nothing much to report in this regard.

**FORM C**

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs.)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013 (6 months)
a. Foreign Exchange Earnings	112,129	6,412,854
b. Foreign Exchange Outgo	6,574,067	6,612,389

**For and on behalf of the Board**

Place : Mysore  
Date : 29<sup>th</sup> May, 2014

R.K. Aggarwal  
Chairman & Managing Director  
(DIN: 01559120)

**NOTE:**

Pursuant to the Business Transfer Agreement (BTA) dated 1<sup>st</sup> March, 2013 and in accordance with the approval granted by the Shareholders through Postal Ballot for transfer of Aluminium Extrusion business division by way of slump sale pursuant to Section 293(1)(a) of the Companies Act, 1956, the Company has transferred the Aluminium Extrusion Business division to an Indian subsidiary of YKK Holding Asia Pte Ltd. on 30<sup>th</sup> May, 2013.

The Company has not carried manufacturing activities of Aluminium Extrusion Business Division effective 1<sup>st</sup> June, 2013. Hence, the above information is for a period of two months only i.e. April 2013 and May 2013.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **A. Industry Structure**

The aluminium extrusion industry continues to be challenging, and is in a phase of consolidation. The weak economy continued resulting in significant operational losses for the company. As reported earlier, the account was declared as NPA by State Bank of India, and the company had no option but to sell our Aluminium Extrusion business division.

### **B. Opportunities**

After slump sale of Aluminium Extrusion business division, the company is not left with enough revenue generating assets to cover its outstanding liabilities. Thus the company is exploring various options to best deal with the challenging situation.

### **C. Threats**

The Company was in operation during April and May 2013. Consequent to slump sale of Aluminium Extrusion business division effective 30<sup>th</sup> May, 2013, there is nothing to report under this section.

### **D. Internal Control Systems 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.

### **E. Over View of 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 Limited consequent to amalgamation). The issued, subscribed and paid up capital as at 31<sup>st</sup> March, 2014 was Rs. 54.94 Crore.

#### **2. Operational Results**

The turnover for the year ended 31<sup>st</sup> March, 2014 stood at Rs.7.73 Crore and the year ended with a loss of Rs. 6.69 Crore i.e. (for 2 months April and May 2013) before tax and exceptional item. However, the profit of Rs. 43.39 crore on slump sale of aluminium extrusion business division has been included in the Profit and Loss Account under exceptional item thereby the net profit after provision for tax expenses is Rs. 31.28 crore.

### **F. Industrial Relations and Human Resource Development**

The company maintained healthy relations with all its employees even while facing



unprecedented challenges throughout the year. The well being of all employees was one of the primary reasons for selling all assets, so that the livelihood of over three hundred people can continue.

#### **G Cautionary Statement**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## CORPORATE GOVERNANCE REPORT

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

BAL is committed to conducting its business in accordance with the applicable laws, rules, regulations and notifications and with the highest standards of business ethics. The purpose of this Code is to promote ethical conduct and deter wrong doing. This Code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. The matters covered in this Code are of the utmost importance to the Company, our shareholders and business partners. Each Officer is expected to comply with the Code in letter and spirit. The Officers of the Company must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a congenial work environment.

### 2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board comprises of five Directors of which three are Non-Executive and Independent Directors.

All the Independent Directors of the Company at the time of their first appointment to the Board and thereafter at the first meeting of the Board in every financial year, give a declaration that they meet with the criteria of independence as provided under clause 49 of the listing agreement. None of the Independent Director is related to any other Directors on the Board.

#### a) Board Composition as on 31<sup>st</sup> March, 2014

Sl.No.	Name of the Director	Category
1	Shri R.K.Aggarwal	Executive Chairman & Managing Director
2	Shri S.P.Shanthinath	Non-Executive Director
3	Shri R.E.Singh	Non-Executive Director
4	Shri Shroff Puttabasappa Manjunath	Non-Executive Director
5	Shri Akhilesh Kumar Pandey	Whole Time Director

- b) During the financial year ended 31<sup>st</sup> March, 2014, six meetings of the Board of Directors were held viz. 25.05.2013, 20.06.2013, 22.07.2013, 13.08.2013, 09.11.2013 and 12.02.2014.

- 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/ 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*	6	5	No	-Nil-	-Nil-	-Nil-
2	Shri S.P.Shanthinath	6	6	Yes	-NiL-	-Nil-	-Nil-
3	Shri R.E.Singh	6	6	Yes	-NiL-	-NiL-	-Nil-
4	Shri R.K. Aggarwal	6	6	Yes	-Nil-	-Nil-	-Nil-
5	Shri Rajat Agarwal*	6	1	No	-Nil-	- Nil-	-Nil-
6	Shri Akhilesh Kumar Pandey	6	6	Yes	-NiL-	-NiL-	-Nil-
7	Shri Shroff Puttabasappa Manjunath *	6	1	No	-NiL-	-NiL-	-Nil-

\* Shri Rajat Agarwal ceased to be Executive Director effective 17.06.13, Dr.B.L.Amla, retired from the Board of Directors on 09.11.13 and Shri Shroff Puttabasappa Manjunath was appointed as Additional Director on 09.11.13.

**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

## Annual Report 2013-14

- 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 / Re-appointment 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	Ram Ekbal Singh	Shroff Puttabasappa Manjunath	Saligrama Parswannah Shanthinath	Akhilesh Kumar Pandey
Age	63 years	59 years	64 years	49 years
DIN	06389606	06719007	05320198	03325271
Date of Appointment	26/09/12	09/11/13	06/07/2012	09/11/13
Qualification	B.Sc. LL.B	B.Sc. LL.B	B.Sc., PGDMM	MSW
Profile	He has over four decades of experience in commercial, marketing and business consultancy	He has over two decades of experience in the field of Project Management Consultancy and Civil Construction.	He has had brilliant academic career. He has wide knowledge and experience of over three decades in commercial and industrial field. He served in various capacities with the organisation of repute.	He has over 20 years of industrial experience in statutory compliances.
No.of Companies (Others) in which he holds Directorship	NIL	NIL	NIL	NIL
Membership held in Committees of other Companies	NIL	NIL	NIL	NIL
Shareholding in the Company (No. & %)	NIL	NIL	200 (0.0003%)	NIL

## 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.	Shri S.P. Shanthinath	Chairman	Independent and Non-Executive Directors
2.	Shri Ram Ekbal Singh	Member	
3.	Shri Shroff Puttabasappa Manjunath	Member	
4.	Shri R.K. Aggarwal	Member	Executive - Managing Director

During the financial year ended 31<sup>st</sup> March, 2014, four meetings of the Audit Committee were held viz 25.05.2013, 13.08.2013, 09.11.2013 and 12.02.2014.

Attendance of the Committee Members:

Name of the Member	Dr. B.L.Amla	Shri R.K. Aggarwal	Shri S.P. Shanthinath	Shri R.E. Singh	*Shri Shroff Puttabasappa Manjunath
Number of meetings held	4	4	4	4	4
Meetings present	3	4	4	4	1

- Dr.B.L.Amla retired from the Board of Directors on 9.11.2013 after closure of business hours
- Shri Shroff Puttabasappa Manjunath was appointed as Additional Director on 9.11.2013

#### 4. REMUNERATION COMMITTEE

Composition of the Remuneration Committee:

Sl. No.	Name of the Director	Title	Status
1	Shri Ram Ekbal E.Singh	Chairman	Independent and Non-Executive Directors
2	Shri S.P.Shanthinath	Member	
3	Dr.B.L.Amla*	Member	
4	Shri Shroff Puttabasappa Manjunath	Member	

During the financial year ended 31<sup>st</sup> March, 2014 one meeting of the Remuneration Committee was held on 9<sup>th</sup> November, 2013.

Attendance of the Committee Members:

Name of the Member	*Dr.B.L.Amla	Shri S.P. Shanthinathl	Shri Ram Ekbal Singh	* Shri Shroff Puttabasappa Manjunath
Number of meetings held	1	1	1	1
Meetings present	1	1	1	0

\*Dr.B.L.Amla retired from the Board of Directors on 9.11.2013 after closure of business hours and ceased to be member of remuneration committee and Shri Shroff Puttabasappa Manjunath was appointed as member of Remuneration Committee.

\*Shri Shroff Puttabasappa Manjunath was appointed as Additional Director on 9.11.2013 and appointed as member of nomination and remuneration committee.

Pursuant to Section 178(1) of the Companies Act, 2013, the Board at its meeting held on 29th May, 2014 changed the nomenclature of the present "Remuneration Committee" to be known as "**Nomination and Remuneration Committee**" consisting of the aforementioned directors except Dr.B.L. Amla who has retired from the Board of Directors on 09.11.2013.

**Details of the Remuneration paid to the Directors during the financial year ended 31.03.2014**  
(Amount Rs)

Name of Director	Position	Salary	Contribution to P.F	Perks and Allowance
Shri R.K. Aggarwal	Managing Director	2,400,000	180,000	0
Shri Rajat Agarwal*	Executive Director	1,321,192	61,600	0
Shri Akhilesh Kumar Pandey	Wholetime Director	522,000	25,800	0

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.

\* Full and final settlement made to Shri Rajat Agarwal, Executive Director consequent to cessation from the Board of Directors of the Company effective 17<sup>th</sup> June, 2013.

## Sitting fees paid to Non-Executive Directors during the financial year ended 31.03.2014

Sl.No.	Name of the Director	Rs.
1	Dr.B.L.Amla	60000
2	Shri S.P.Shanthinath	35000
3	Shri R.E.Singh	25000
4	Shri Shroff Puttabasappa Manjunath	5000

## 5. SHAREHOLDERS GRIEVANCE COMMITTEE

### Composition of the Shareholders Grievance Committee

Sl. No.	Name of the Director	Title	Status
1.	Shri S.P.Shanthinath	Chairman	Independent and Non Executive Directors
2.	Shri Ram Ekbal Singh	Member	
3.	Shri R.K. Aggarwal	Member	Executive -Managing Director

Role of the Committee is to redress the complaints relating to transfer, transmission of shares, 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 ended 31<sup>st</sup> March, 2014, 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 and the same has been redressed immediately.

Pursuant to Section 178(5) of the Companies Act, 2013, the Board at its meeting held on 29<sup>th</sup> May, 2014 reconstituted the present "Shareholders Grievance Committee" to be known as "**Shareholders Relationship Committee**" consisting of aforementioned directors.

## 6. COMPLIANCE OFFICER

Shri R.K.Aggarwal, Managing Director is performing the duty of a Compliance Officer on a limited and temporary basis until the Company Secretary is appointed. The Company is utilising the services of a Practising Company Secretary to ensure strict compliance of the provisions of the Company Law, SEBI and BSE Regulations. The Company is in search of a suitable candidate for the position of Company Secretary and Chief Financial Officer (CFO) will be appointed shortly.

## 7. 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 31<sup>st</sup> March, 2014.

## 8. 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](http://www.bhorukaaluminium.com).

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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 ended 31<sup>st</sup> March, 2014. A declaration signed by the Chief Executive Officer (CEO) to this effect is enclosed at the end of this report.

### 9. GENERAL BODY MEETINGS

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

Financial year	Date & Time	Venue	No. of special resolutions passed
2010-11	24 <sup>th</sup> September, 2011 At 11.30 a.m.	Registered Office # 1, KRS Road, Metagalli, Mysore – 570 016	Four
2011-12 (18 months)	25 <sup>th</sup> February, 2013 At 11.30 a.m.	Registered Office # 1, KRS Road, Metagalli, Mysore – 570 016	Three
2012-13 (6 months)	30 <sup>th</sup> September 2013 At 10:00 am.	Hotel Royal Inn #435 K.R.S.Road, Metagalli, Mysore-570 016	Nil

### 10. SPECIAL RESOLUTIONS PASSED WITH REQUISITE MAJORITY DURING THE PRECEDING THREE ANNUAL GENERAL MEETINGS

Financial Year	Date of AGM	Subject matter of Special Resolutions
2010-11	24 <sup>th</sup> September, 2011	1) Appointment of Shri Akhilesh Kumar Pandey as Whole Time 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.
2011-12 (18 months)	25 <sup>th</sup> February, 2013	1) Re-appointment of Shri R.K.Agarwal, Managing Director of the Company pursuant to Section 198, 269, 274, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 2) Re-appointment of Shri Rajat Agarwal, Executive Director of the Company pursuant to Section 198,269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 3) To note the erosion by more than 50% of the peak net worth of the Company and report the fact to the Shareholders and to Board for Industrial and Financial Reconstruction (BIFR)
2012-13	30 <sup>th</sup> September,2013	NIL



**11. RESOLUTIONS PASSED THROUGH POSTAL BALLOT PROCESS DURING THE PRECEDING THREE FINANCIAL YEARS WITH REQUISITE MAJORITY**

<b>Financial Year</b>	<b>Date of Declaration of results of Postal Ballot</b>	<b>Type of Resolutions</b>	<b>Purpose of Resolution</b>
2010-11	4 <sup>th</sup> November, 2010	Special Resolution	Issue of Equity shares of the Company on Preferential basis u/s 81(1A) of the Companies Act, 1956
		Special Resolution	Issue of Warrants convertible into equity shares of the Company on Preferential basis u/s 81(1A) of the Companies Act, 1956
		Special Resolution	To alter the Objects Clause of Memorandum of Association of the Company u/s 17 of the Companies Act, 1956
		Special Resolution	To carry the business activity under Section 149(2A) of the Companies Act, 1956
		Ordinary Resolution	To increase the Authorised Share Capital of the Company u/s 94 of the Companies Act, 1956
		Ordinary Resolution	To alter the Clause V of Memorandum of Association of the Company u/s 16 of the Companies Act, 1956
		Ordinary Resolution	To give authority to the Board of Directors of the Company u/s 293(1)(d) of the Companies Act, 1956
		Ordinary Resolution	To give authority to the Board of Directors of the Company u/s 293(1)(a) to create charge on the assets/undertakings of the Company upto the limit as approved u/s 293(1)(d) of the Companies Act, 1956

**THE RESOLUTIONS PASSED THROUGH POSTAL BALLOT AND THE VOTING PATTERNS:**

Sl. No.	Business	Postal Ballot Forms Received		Valid Votes Casted		
		Total	Valid	Total	In favour	Against
1	Special Resolution under Section 81(A) of the Companies Act 1956 for issue of Equity Shares on Preferential Basis	49	42	47,95,257	47,94,257	700
2	Special Resolution Issue of Warrants convertible into equity shares of the Company on Preferential basis u/s 81(1A) of the Companies Act, 1956	49	42	47,95,257	47,94,657	600
3	Special Resolutions to alter the Objects Clause of Memorandum of Association of the Company u/s 17 of the Companies Act, 1956	49	42	47,95,257	47,95,257	0
4	Special Resolutions to carry the business activity under Section 149(2A) of the Companies Act, 1956	49	42	47,95,257	47,95,257	0
5	Ordinary Resolution to increase the Authorised Share Capital of the Company u/s 94 of the Companies Act, 1956	49	42	47,95,257	47,95,257	0
6	Ordinary Resolution to alter the Clause V of Memorandum of Association of the Company u/s 16 of the Companies Act, 1956	49	42	47,95,257	47,95,157	100
7	Ordinary Resolution to give authority to the Board of Directors of the Company u/s 293(1)(d) of the Companies Act, 1956	49	42	47,95,257	47,95,007	250
8	To give authority to the Board of Directors of the Company u/s 293(1)(a) to create charge on the assets/undertakings of the Company upto the limit as approved u/s 293(1)(d) of the Companies Act, 1956	49	42	47,95,257	47,95,007	250

Financial Year	Date of Declaration of results of Postal Ballot	Type of Resolutions	Purpose of Resolution
2011-12	NIL	NIL	NIL
2012-13	1 <sup>st</sup> January, 2013	Ordinary Resolution	Sale, transfer or dispose off the whole of the undertaking of the Company or any part thereof pursuant to the provisions of Section 293(1)(a) of the Companies Act, 1956

The resolution passed through postal ballot and the voting pattern for the same are as follows:

Particulars	No. of Postal Ballot Forms	No. of Shares	Percentage of Paid-up Equity Capital (calculated on the basis of the Valid forms received / participated.)
Total Postal Ballot Forms Received	176	25,320,546	100.00 %
Less: Invalid Postal Ballot Forms (as per Register)	42	201,867	0.80 %
Net valid Postal Ballot Forms (as per Register)	134	25,118,679	99.20 %
Postal Ballot Forms with assent for the Resolution	113	24,727,889	97.66 %
Postal Ballot Forms with dissent for the Resolution	21	390,790	1.54 %

The resolution has been passed with requisite majority.

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

## 12. 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.

**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 Companies Act, 2013 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 M/s. Rau & Nathan 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 , the Managing Director has certified to the Board in accordance with Clause 49(V) of the Listing Agreement and also as amended, for the financial year ended 31<sup>st</sup> March, 2014.
- 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.

**13. 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 exchange. 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](http://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.

**Website:** The Company's website [www.bhorukaaluminium.com](http://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.

## 14. 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 34<sup>th</sup> Annual General Meeting of the Company will be held on **Tuesday, the 30<sup>th</sup> September, 2014 at 9 :30 a.m.**, at Hotel Royal Inn # 435, K.R.S.Road, Metagally, Mysore-570 016.

### (c) Financial Calendar : (Tentative) : Financial reporting for the quarter ending

June 30, 2014	- by 15 <sup>th</sup> August, 2014
September 30, 2014	- by 15 <sup>th</sup> November, 2014
December 31,2014	- by 15 <sup>th</sup> February, 2015
March 31, 2015	- End of May 2015 alongwith audited Annual Accounts.

Annual General Meeting for the year 2014-15 by end of September 2015

### (d) Date of Book Closure

From **Friday, the 26<sup>th</sup> September, 2014 to Tuesday, the 30<sup>th</sup> September, 2014** (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 financial year ended 31<sup>st</sup> March, 2014.

### (f) Listing of Securities

Company's shares are listed and traded with Bombay Stock Exchange Limited (BSE). Annual Listing fee for the year 2014-15 has been paid to the Stock Exchange. The Custodian fees for both the depositories have also been paid for the year 2014-2015.

**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.

Members who have not registered their e-mail addresses so far are requested to register their e-mail address either with their Depositories or by writing to the Company or 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 year ended 31<sup>st</sup> March, 2014 are as under:

Year 2013-14		Quotation (Rs)	
Month		High	Low
April	2013	1.20'	0.95
May	2013	1.08	0.82
June	2013	1.35	0.84
July	2013	0.91	0.64
August	2013	0.75	0.57
September	2013	0.95	0.67
October	2013	0.92	0.70'
November	2013	1.04	0.76
December	2013	0.92	0.69
January	2014	1.19	0.68
February	2014	0.99	0.70'
March	2014	0.94	0.62

**(i) Distribution of Shareholding**

The shareholding distribution of equity shares as on 31<sup>st</sup> March, 2014

Share Holding Range(s)		Folios		Equity Shares Held	
From	To	Number	Percentage	Number	Percentage
1	5000	4,989	63.18	9,01,354	1.64
5001	10,000	850	10.76	7,38,785	1.34
10,001	20,000	585	7.41	10,14,102	1.85
20,001	30,000	236	2.99	6,31,328	1.15
30,001	40,000	200	2.53	7,53,202	1.37
40,001	50,000	184	2.33	8,93,720	1.63
50,001	1,00,000	341	4.32	26,87,649	4.89
1,00,001	and above	512	6.48	4,73,22,002	86.13
<b>Total</b>		<b>7,897</b>	<b>100</b>	<b>5,49,42,142</b>	<b>100</b>

**(j) Shareholding Pattern as on 31<sup>st</sup> March, 2014**

<b>Category</b>	<b>Number of shares held</b>	<b>Percentage of Shareholding (%)</b>
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	0	0
Bodies Corporate	92,34,851	16.81
Individuals	2,54,40,696	46.30
NRIs	3,58,112	0.65
HUF	13,34,775	2.43
Clearing Members	22, 170	0.04
<b>GRAND TOTAL</b>	<b>5,49,42,142</b>	<b>100</b>

**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). 98.63% of our Company's shares have been dematerialised as on 31<sup>st</sup> March, 2014.

**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 Exchange 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.

**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. Registered Office**

Bhoruka Aluminium Limited, # 427E, 2<sup>nd</sup> Floor, Hebbal Industrial Area, Mysore – 570 016, Karnataka, India Phone +91-0821-2513876, 2510351 and +91-0821-2415290.

**For Investors' Grievance E-mail :** company.secretary@bhorukaaluminium.com

**Website of the Company:** www.bhorukaaluminium.com

**CIN:** L27203KA1979PLC003442

## 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 year ended **31<sup>st</sup> March, 2014**.

**For Boruka Aluminium Limited**

Place: Mysore  
Date: 29<sup>th</sup> May, 2014

**R.K. Aggarwal**  
Managing Director  
(DIN: 01559120)

### 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 year ended **31<sup>st</sup> March, 2014** the Company has complied with the requirements of the said sub-clause.

**For Boruka Aluminium Limited**

Place: Mysore  
Date: 29<sup>th</sup> May, 2014

**R.K. Aggarwal**  
Managing Director  
(DIN: 01559120)

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## AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

To the Members  
Bhoruka Aluminium Limited  
Mysore

We have examined the compliance of the conditions of Corporate Governance by Boruka Aluminium Limited for the financial year ended **31<sup>st</sup> March, 2014**, as stipulated under Clause 49 of the Listing Agreement of the said Company entered with the Bombay Stock Exchange Limited (BSE)

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 year ended **31<sup>st</sup> March, 2014** 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.,**  
Firm Reg No-00049S  
*Chartered Accountants*

**M. Gandhi**  
*Partner*  
Membership No. 22958

Place: Mysore  
Date: 29<sup>th</sup> May, 2014



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of Boruka Aluminium Limited.**

### **Report on the Financial Statements**

1. We have audited the accompanying financial statements of Boruka Aluminium Limited (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

4. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India subject to unsecured interest free loan given to companies amounting to Rs.25,30,52,948/- which is not recoverable; (Please refer Notes No.21 to financial statements under sl.no.11)

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;

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- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act;

For **R.S. Agarwala & Co.**,  
Firm Reg No-00049S  
*Chartered Accountants*

**M. Gandhi**  
*Partner*  
Membership No. 22958

Place: Mysore  
Date: 29<sup>th</sup> May, 2014

## **ANNEXURE TO INDEPENDENT AUDITORS' REPORT**

**Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date.**

### **1. In respect of its fixed assets:**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) During the year the Company has disposed of substantial/major portion of the assets by way of slump sale to YKK Holding Asia Pte Ltd. Singapore on 30<sup>th</sup> May, 2013 in accordance with the approval granted by the Shareholders pursuant to Section 293(1)(a) of the Companies Act, 1956 through Postal Ballot.
- d) The slump sale consideration is Rs.98,35,81,230 after payment of consultancy fees and other expenses. After transfer of the assets and certain liabilities including employees to Boruka Facades Private Limited an Indian Subsidiary of YKK Holding Asia Pte Ltd. Singapore, the slump sale (Capital Gain) comes to Rs.43,48,36,204/= subject to carry forward loss of Depreciation of Rs.18,89,23,097 and loss of the current year Rs.6,69,61,479.
- e) In our opinion there was an accumulated loss of Rs.34,47,61,629/= at the end of the financial year and has not incurred cash loss in the current year and the cash loss immediately preceding the financial year was Rs.6,96,71,449/= i.e. 31<sup>st</sup> March, 2013 (6 months period).

### **2. In respect of its inventories:**

- a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable, however as at the end of financial year 31<sup>st</sup> March, 2014, inventories are **Nil** since the same has been transferred at the time of slump sale;
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records;

### **3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:**

- a) the Company has granted interest free loans to three companies in the previous years, all the above companies are covered in the register maintained under section 301 of the Companies Act, 1956 and the outstanding balance at the end of the financial year was Rs.16,00,42,040. There are no stipulation as to the dates for the repayment of the loan;
- b) the Company has given an interest free loan of Rs. 6,42,772 to its wholly owned subsidiary Boruka Aluminium FZE UAE during the year under review and the outstanding balance at the end of the financial year was Rs.4,16,67,054/=.
- c) In our opinion, the rate of interest and other terms and condition to the loan given to the Companies (as per a) are prima facie, prejudicial to the interest of the Company;
- d) the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956; Consequently, the requirements of Clause (iii) (f) and (iii) (g) of paragraph 4 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and 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 lakh 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. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. **According to the information and explanations given to us in respect of statutory dues:**
  - a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities except Income Tax dues amounting to Rs.4,47,04,172 during the year under review.
  - b) Details of dues of Service Tax and Excise duty which have not been deposited as on 31<sup>st</sup> March, 2014 on account of disputes are given below:

Name of statute	Nature of the disputes	Appeal No.	Forum where dispute pending	Period to which the amount relates	Amount Rs.
Service Tax (Finance Act, 1994)	Service Tax	632/2009	Central Excise & Service Tax Appellate Tribunal	May 2006 to March 2007	1,34,657
		401/2011		May 2006 to March 2007	1,95,186
Central Excise Act, 1944	Duty SEZ	25944/2013	Central Excise & Service Tax Appellate Tribunal	July 2008 to December 2008	1,13,54,141
		E-136/2009		July 2007 to June 2008	2,39,90,442

8. In our opinion and based on the information furnished to us, the Company is not a Sick Industrial Company.
9. According to the information and explanations given to us, the Company has not accepted any deposit from the public covered under Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder except from shareholders during previous years.
10. Based on our audit procedures and according to the information and explanation given by the Management, we are of the opinion that the Company has repaid a sum of Rs.85 Crore out of Rs.92.60 Crore after waiving of interest portion to the Secured Lenders leaving a balance of Rs.7.60 crore to be paid within two years with a moratorium of one year with simple interest is secured by the personal guarantee of the promoters and company's assets.
11. In our opinion and according to the explanations given to us and based on the information available, no

loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities/investments.

12. According to the information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, for the financial year ended **March 31, 2014**, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
13. The Company has not obtained any term loan during the financial year ended under audit.
14. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the Para 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
15. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
16. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
17. The Company has not raised any monies by way of public issue during the year.
18. The Company is not dealing in or trading in Shares, securities, debentures or mutual funds and other investments. Accordingly, the provisions of Clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 and Companies (Auditor's Report) (Amendment) Order 2004 are not applicable to the Company.
19. The Company has not issued any debentures during the year.
20. The Company has given guarantee for loans taken by one of its associate company Boruka Fabcons Private Limited during the previous years and the extent of guarantee amount outstanding is Rs.21 lakh.
21. Based on the audit procedures performed and as per the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **R.S. Agarwala & Co.**,  
Firm Reg No-00049S  
*Chartered Accountants*

**M. Gandhi**  
*Partner*

Membership No. 22958

Place: Mysore  
Date: 29<sup>th</sup> May, 2014

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Notes	As at 31 <sup>st</sup> March 2014 Rs.	As at 31 <sup>st</sup> March 2013 (6 months) Rs.
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	01	<b>549,421,420</b>	549,421,420
Reserves & Surplus	02	<b>(56,480,483)</b>	(369,291,354)
		<b>492,940,937</b>	<b>180,130,066</b>
<b>Non Current Liabilities</b>			
Long Term Borrowings	03	<b>122,735,218</b>	62,828,195
Long Term Provisions	04	<b>42,275</b>	37,890,195
		<b>122,777,493</b>	<b>100,718,390</b>
<b>Current Liabilities</b>			
Short Term Borrowings	05	-	697,458,321
Trade Payables		<b>80,178,136</b>	198,986,664
Other Current Liabilities	06	<b>3,376,084</b>	341,689,042
Short Term Provisions	07	<b>54,092,377</b>	3,636,011
		<b>137,646,597</b>	<b>1,241,770,038</b>
<b>TOTAL</b>		<b>753,365,027</b>	<b>1,522,618,494</b>
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
<b>Fixed Assets:</b>			
Tangible Assets	08	<b>25,268,131</b>	497,724,077
Intangible Assets		-	1,337,560
		<b>25,268,131</b>	<b>499,061,637</b>
Non Current Investments	09	<b>433,436,491</b>	433,535,491
Long Term Loans and Advances	10	<b>275,496,958</b>	283,644,026
<b>Current Assets:</b>			
Inventories	11	-	221,121,030
Trade Receivables	12	<b>749,134</b>	23,845,841
Cash and Bank Balances	13	<b>10,484,260</b>	4,563,722
Other Current Assets	14	<b>7,930,053</b>	56,846,747
		<b>19,163,447</b>	<b>306,377,340</b>
<b>TOTAL</b>		<b>753,365,027</b>	<b>1,522,618,494</b>

The Notes form an integral part of these financial statements

1-21

**In terms of our report of even date**

for **R.S. AGARWALA & CO.,**  
Firm Reg No-00049S  
Chartered Accountants

**M. Gandhi**  
Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**For and on behalf of the Board**

<b>R.K. Aggarwal</b> Chairman & Managing Director	<b>S.P. Shanthinath</b> Director
<b>Ram Ekbal Singh</b> Director	<b>A.K.Pandey</b> Whole Time Director
<b>S.P. Manjunath</b> Additional Director	

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Notes	31 <sup>st</sup> March 2014 Rs.	6 months ended 31 <sup>st</sup> March 2013 Rs.
<b>REVENUE</b>			
Revenue from Operations	15	77,312,412	261,318,292
Less:- Excise Duty		8,135,763	24,967,178
<b>Revenue from Operations (Net)</b>		<b>69,176,649</b>	<b>236,351,114</b>
Other Income	16	435,799,270	8,173,138
<b>TOTAL REVENUE</b>		<b>504,975,919</b>	<b>244,524,252</b>
<b>EXPENSES</b>			
Cost of Materials Consumed		30,847,137	161,917,451
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	17	17,823,239	24,032,461
Employee Benefit Expenses	18	21,242,216	55,300,788
Finance costs	19	9,675,487	6,913,606
Depreciation & Amortisation Expense		7,734,238	17,375,953
Other Expenses	20	50,750,354	66,031,395
<b>TOTAL EXPENSES</b>		<b>138,072,671</b>	<b>331,571,654</b>
<b>(Loss ) / Profit before Tax</b>		<b>366,903,248</b>	<b>(87,047,402)</b>
<b>Tax Expense</b>			
- Current Taxes		54,092,377	-
<b>( Loss )/ Profit after Tax for the year</b>		<b>312,810,871</b>	<b>(87,047,402)</b>
<b>Earnings per Share</b>			
Basic		5.69	(1.58)
Diluted		5.69	(1.58)
The Notes form an integral part of these financial statements	1-21		

**In terms of our report of even date**

for **R.S. AGARWALA & CO.,**  
Firm Reg No-00049S  
Chartered Accountants

**M. Gandhi**  
Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**For and on behalf of the Board**

**R.K. Aggarwal**                      **S.P. Shanthinath**  
Chairman & Managing Director      Director

**Ram Ekbal Singh**                      **A.K.Pandey**  
Director                                      Whole Time Director

**S.P. Manjunath**  
Additional Director

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
5,60,00,000 (5,60,00,000 in Previous Year) Equity shares of Rs.10/- each	<b>560,000,000</b>	560,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
5,49,42,142 (5,49,42,142 in Previous Year) Equity shares of Rs. 10/- each fully paid up	<b>549,421,420</b>	549,421,420

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	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 27 <sup>th</sup> January 2011 as per scheme of amalgamation of erstwhile Bhoruka Agro Greens Ltd duly approved by Hon'ble High Court of Karnataka	<b>5,903,333</b>	<b>59,033,330</b>	5,903,333	59,033,330
(ii) On 18 <sup>th</sup> October 2011 as bonus shares by capitalization of Securities Premium Account.	<b>27,471,071</b>	<b>274,710,710</b>	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	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>Shares at the beginning of the year</b>	<b>54,942,142</b>	<b>549,421,420</b>	54,942,142	549,421,420
<b>Shares at the end of the year</b>	<b>54,942,142</b>	<b>549,421,420</b>	54,942,142	549,421,420



## NOTES TO THE FINANCIAL STATEMENTS

### Details of shareholders holding more than 5% shares

Name of the Shareholder	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No. of Shares held	% of Holdings	No. of Shares held	% of Holdings
Raj Kumar Aggarwal	56,02,656	10.20	36,58,282	6.66
Rockstrong Investments Private Ltd	28,06,666	5.11	28,06,666	5.11

## 2. RESERVES AND SURPLUS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>Amalgamation Reserve</b>	<b>75,720,251</b>	75,720,251
	<u>75,720,251</u>	<u>75,720,251</u>
<b>Capital Reserve</b>		
As per Last Balance Sheet	57,500	57,500
<b>Securities Premium Account</b>		
As per Last Balance Sheet	211,003,395	211,003,395
	<u>211,003,395</u>	<u>211,003,395</u>
<b>Central Subsidy</b>		
As per Last Balance Sheet	1,500,000	1,500,000
<b>Surplus as per Statement of Profit &amp; Loss</b>		
As per Last Balance Sheet	(657,572,500)	(570,525,098)
Profit/(Loss) for the year	312,810,871	(87,047,402)
	<u>(344,761,629)</u>	<u>(657,572,500)</u>
	<u>(56,480,483)</u>	<u>(369,291,354)</u>

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

Particulars	Non Current		Current Maturities	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March 2013	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March 2013
	Rupees	Rupees	Rupees	Rupees
<b>Secured</b>				
<b>Term Loans</b>				
From Banks	-	-	-	697,458,321
<b>Other Loans</b>				
From Banks	76,000,000	55,195	-	318,997
<b>Unsecured</b>				
Other Loans	46,735,218	62,773,000	-	1,000,000
	<b>122,735,218</b>	<b>62,828,195</b>	<b>-</b>	<b>698,777,318</b>

**Other Information Pertaining to Nature of security**

Particulars of Nature of Security	Security to the extent	
	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
1. Hypothecation of Stocks, receivables, dies & other assets including incentives, duty draw back & other current assets.	<b>76,000,000</b>	92,14,08,248
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, immovable property at Mysore.		
4. EM of Flat No. 1001, 1002, 10 <sup>th</sup> Floor, Western Portion of Mittal Tower, MG Road, Bangalore.		
5. Land and Building situated at, Hebbal Industrial Area, Mysore.		
6. Extension of EM of factory land and building.		
7. Personal property of promoters		
<b>Details of other Unsecured Loans</b>		
Karnataka State Development Loan	923,000	923,000
From Related Parties	45,812,218	41,119,008
Other Loans & Advances	-	24,741,018
	<b>46,735,218</b>	<b>66,783,026</b>
<b>4. LONG TERM PROVISIONS</b>		
For Employee Benefits	42,275	37,890,195
	<b>42,275</b>	<b>37,890,195</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>5. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Loans Repayable on Demand from Banks</b>		
Working Capital Loans From Bank (Treated as Non Performing Assets by Bank since 31 <sup>st</sup> December,2011 and continuing default in repayment of loan and interest) (Including foreign currency loan (FCNR) of Rs Nil (Previous year Rs. Nil)) 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.	-	697,458,321
	<hr/>	<hr/>
	-	697,458,321
<b>6. OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long - Term Debt</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From Banks (Treated as Non Performing Assets by Bank since 31 <sup>st</sup> 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
<b>Others Loans</b>		
From Banks Secured by hypothecation of Vehicles acquired under hire purchase agreements	-	318,997
<b>Unsecured</b>		
Other Loans	-	1,000,000
Advances from Customers	77,174	95,423,493
Trade / Security Deposits	-	9,250,677
Interest Accrued and Due on other Borrowings	-	3,010,026
Employee Liability	1,386,868	-
Statutory Remittances	56,624	1,201,842
Others	1,855,418	7,534,080
	<hr/>	<hr/>
	3,376,084	341,689,042
<b>7. SHORT TERM PROVISIONS</b>		
Income Tax Current Year	54,092,377	0
For Employee Benefit	-	3,636,011
	<hr/>	<hr/>
	54,092,377	3,636,011

## 8. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Carrying Value				
	As at 01.04.2013	Additions	Disposals	As at 31.03.2014	Opening as at 01.04.2013	For the year	Impairment LOSS Reversal	Closing as at 31.03.2014	Slump Sale 31.05.2013	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>											
Land	8,382,418	-	-	8,382,418	-	-	-	-	916,423	7,465,995	8,382,418
Buildings	223,307,853	-	631,220	222,676,633	48,101,087	1,246,310	358,486	48,988,911	173,687,722	-	175,206,766
Plant & Machinery	408,518,270	-	994,871	407,523,399	147,859,062	3,218,994	834,087	150,243,969	257,279,430	-	260,659,208
Electrical Installations	40,439,341	-	-	40,439,341	15,689,553	419,296	-	16,108,849	24,330,492	-	24,749,788
Office Equipments	5,252,289	-	262,850	4,989,439	4,028,276	81,748	228,572	3,881,452	1,107,987	-	1,224,013
Computers	4,480,785	-	509,600	3,971,185	2,707,809	121,388	265,538	2,563,639	1,407,546	-	1,772,976
Furniture & Fittings	6,755,728	-	262,968	6,492,760	1,934,723	70,033	45,898	1,958,858	4,533,902	-	4,821,005
Vehicles	14,717,106	-	2,198,669	12,518,437	8,346,218	1,182,015	1,429,675	8,098,558	-	4,419,879	6,370,888
Agricultural Assets	22,881,377	-	-	22,881,377	8,344,362	1,154,757	-	9,499,119	-	13,382,258	14,537,015
<b>TOTAL</b>	<b>734,735,167</b>	<b>-</b>	<b>4,860,178</b>	<b>729,874,989</b>	<b>237,011,090</b>	<b>7,494,521</b>	<b>3,162,256</b>	<b>241,343,355</b>	<b>463,263,502</b>	<b>25,268,132</b>	<b>497,724,077</b>
<b>Intangible Assets</b>											
Computer Software	8,872,901	-	-	8,872,901	7,535,341	239,716	-	7,775,057	1,097,844	-	1,337,560
<b>GRAND TOTAL</b>	<b>743,608,068</b>	<b>-</b>	<b>4,860,178</b>	<b>738,747,890</b>	<b>244,546,431</b>	<b>7,734,237</b>	<b>3,162,256</b>	<b>249,118,412</b>	<b>464,361,346</b>	<b>25,268,132</b>	<b>499,061,637</b>
Previous Year	742,816,154	1,334,580	542,666	743,608,068	227,528,674	17,375,953	358,196	244,546,431	-	499,061,637	-

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>9. NON CURRENT INVESTMENTS (at cost)</b>		
<b>Non -Traded</b>		
<b>Quoted</b>		
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	<b>8,712,500</b>	8,712,500
75,500 shares of TCI Finance Ltd of Rs. 10 each	<b>2,240,000</b>	2,240,000
Market Value of quoted Investments Rs. 79,094,988 (Previous year 496.86 lacs)		
<b>Unquoted</b>		
Government Securities		
National Savings Certificates / Indira Vikas Patras (Deposited with Sales Tax and Excise Departments)	<b>11,300</b>	11,300
<b>In Subsidiary</b>		
997 Shares of Bhoruka Aluminium FZE (equivalent to UAE Dirham 34,895,000)	<b>422,472,691</b>	422,472,691
9900 (99%) Equity Shares of Rs10 each of Bhoruka Facades Pvt. Ltd	-	99,000
	<b>433,436,491</b>	433,535,491
<b>10. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured</b>		
Security Deposits	<b>109,010</b>	8,767,870
Deposit with Landlords	<b>665,000</b>	915,000
Loans and Advances to Related Parties	<b>2,772,040</b>	2,772,040
Loans and Advances to Subsidiary	<b>41,667,054</b>	41,024,282
Loans and Advances to Associates	<b>157,270,000</b>	157,270,000
Loans and Advances to Others	<b>73,013,854</b>	72,894,834
	<b>275,496,958</b>	283,644,026
<b>11. INVENTORIES</b>		
<b>(As taken valued and certified by the management)</b>		
AT LOWER OF COST AND NET REALISABLE VALUE		
Finished goods	-	8,366,421
Raw materials	-	5,187,475
Work in progress	-	9,456,818
Stores, spares & consumables (At cost)	-	198,110,316
Coffee Stock	-	-
	-	221,121,030

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>12. TRADE RECEIVABLES</b>		
<b>Outstanding more than six month from the due date</b>		
Unsecured, Considered Good		5,464,291
Unsecured, Considered Doubtful	-	4,409,681
<b>Outstanding less than six month from the due date</b>		
Unsecured, Considered Good		13,971,869
Others	<b>749,134</b>	-
	<b>749,134</b>	<b>23,845,841</b>
<b>13. CASH AND BANK BALANCES</b>		
Cash in hand	<b>1,068,161</b>	4,500,510
Balances with banks		
- In Current accounts	<b>8,768,999</b>	(583,888)
- In Deposit accounts*	<b>647,100</b>	647,100
*Deposited with bank against Guarantee issued and as Margin Money		
	<b>10,484,260</b>	<b>4,563,722</b>
<b>14. OTHER CURRENT ASSETS</b>		
<b>Unsecured</b>		
Trade Advances - Considered Good	<b>20,000</b>	5,232,221
Advance to Staff & Workmen	<b>174,000</b>	249,771
Other Deposits	-	24,000
Advance Payment of Taxes	<b>1,167,437</b>	967,158
Excise Duty	<b>2,627</b>	2,362,155
VAT Input Tax	<b>6,472,235</b>	47,917,688
Interest Receivable	<b>93,754</b>	93,754
	<b>7,930,053</b>	<b>56,846,747</b>
<b>15. REVENUE FROM OPERATIONS</b>		
Sale of Extrusions	<b>76,026,452</b>	260,356,269
Sale of Agricultural Products	<b>1,262,643</b>	704,580
Job Work Charges	<b>23,317</b>	257,443
<b>Revenue from Operations (Gross)</b>	<b>77,312,412</b>	261,318,292
Less:- Excise Duty	<b>8,135,763</b>	24,967,178
<b>Revenue from Operations (Net)</b>	<b>69,176,649</b>	<b>236,351,114</b>
<b>16. OTHER INCOME</b>		
Interest Income	<b>802,400</b>	60,268
Exchange Rate Difference	<b>64,143</b>	-
Rent	<b>1,068,000</b>	534,000
Debit and Credit balance no longer required-written Back (Net)	-	7,578,870
Profit on sale of Assets	<b>433,864,727</b>	-
	<b>435,799,270</b>	<b>8,173,138</b>

## NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Finished goods	8,366,421	9,095,227
Work in progress	9,456,818	32,760,473
	<u>17,823,239</u>	<u>41,855,700</u>
<b>Less : Closing Stock</b>		
Finished goods	-	8,366,421
Work in progress	-	9,456,818
	<u>-</u>	<u>17,823,239</u>
	<u>17,823,239</u>	<u>24,032,461</u>
<b>18. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	19,042,074	50,535,762
Contribution to Provident and other funds	875,488	1,941,735
Workmen and staff welfare expenses	1,324,654	2,823,291
	<u>21,242,216</u>	<u>55,300,788</u>
<b>19. FINANCE COSTS</b>		
Interest	9,622,697	6,658,213
Other Borrowing Cost	52,790	255,393
	<u>9,675,487</u>	<u>6,913,606</u>
<b>20. OTHER EXPENSES</b>		
Consumption of stores, spares & consumables	4,620,992	16,248,391
Power and fuel	7,955,539	25,794,721
Job Work Charges - Expenses	436,496	3,588,154
Others	467,604	343,655
Repairs and maintenance to buildings	5,363	50,116
Repairs and maintenance to machineries	175,950	759,964
Freight outward	82,311	1,652,979
Packing charges	830,853	3,285,957
Vat and Octroi	64,626	173,656
Sales Promotion & Advertisement	157,301	119,336
Discount & commission	377,122	4,304,945
Rent	204,784	193,430
Rates and taxes	2,240,902	161,200
Repairs & Maintenance - Others	303,326	446,173
Telephone charges	241,691	442,440
Printing and stationery	297,761	450,807
Insurance	277,557	18,369
Legal and consultancy charges	1,296,338	842,821
Travelling & conveyance	1,361,745	2,424,454
Directors Fees	125,000	190,000

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>20. OTHER EXPENSES (Contd...)</b>		
Auditors Remuneration		
- Audit Fees	<b>60,000</b>	60,000
- Tax Audit Fees	<b>15,000</b>	15,000
Bad Debts, Irrecoverable balances written off	<b>8,916,493</b>	-
Sales Tax not recoverable written off	<b>19,375,476</b>	-
Miscellaneous expenses	<b>860,124</b>	1,159,422
Donations	-	7,000
Loss on discard/ sale of Assets		2,649
Exchange Difference		25,761
Prior Period Expenses		3,269,995
	<b>50,750,354</b>	<b>66,031,395</b>



## **21. NOTES TO THE FINANCIAL STATEMENTS**

### **1. 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 recognised as on 31st March, 2014 in terms of Accounting Standard 22.

#### **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. Gain 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.

**2. CONTINGENT LIABILITIES NOT PROVIDED FOR IN RESPECT OF:**

(Rupees in Lakh)

Particulars	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013 (6 Months)
Estimated amount of contracts remaining to be executed on capital account	Nil	Nil
Bills discounted with Banks	Nil	Nil
Bank Guarantees outstanding	Nil	9.63
Service tax under dispute	3.30	3.30
Excise Duty under SEZ clearance	353.44	353.44

**Note:** The above disputed liabilities since been transferred while transferring Aluminium Extrusion Business Division by way of slump sale. However, the appeals are still pending in the Company's name.

**3. DIRECTORS' REMUNERATION:**

(Rupees)

Particulars	31 <sup>st</sup> March, 2014 (12 Months)	31 <sup>st</sup> March, 2013 (6 Months)
<b>Managing Director</b>		
Salary & Allowances	2,400,000	1,200,000
Money value of Perquisites	0	179,717
Contribution to Provident & Other Funds	180,000	90,000
<b>*Executive Director</b>		
Salary & Allowances	1,321,192	1,200,000
Money value of Perquisites	0	2,285
Contribution to Provident & other Funds	61,600	144,000
<b>Wholetime Director</b>		
Salary & Allowances	522,000	276,000
Money value of Perquisites	0	50,605
Contribution to Provident & Other Funds	25,800	14,400

\* Full and Final settlement made to Shri Rajat Agarwal Executive Director consequent to cessation from the Board of Directors of the Company effective 17<sup>th</sup> June, 2013.

4. In terms of Accounting Standard (AS-11) “changes in Foreign Exchange Rates” on transaction of monetary items at the year end exchange rate, there is notional exchange gain / (loss) of Rs. 64,143 which has been accounted in the Profit and Loss Account.

**5. GROUP:**

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

**6. RELATED PARTY DISCLOSURES:**

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

**Key Management Personnel:**

Shri R.K. Aggarwal

Managing Director

Related Party	Nature of Relationship	Transactions (Rupees)		
		Nature of the Transaction	Amount in Rs.	Outstanding as on 31 <sup>st</sup> March, 2014
Bhoruka Fabcons Pvt.Ltd.	Associate	Sales & Service	89,48,833	400,000
		Purchase & Service	4,88,654	
Maverick Infotec Pvt. Ltd.	Associate	Loan	-	2,772,040
Urmila Agarwal	Associate	Rent	900,000	432,000
Rockstrong Investments Private Limited	Associate	Loan	-	89,310,000
Sunbright Investments Private Limited	Associate	Loan	-	67,960,000
Bhoruka Aluminium FZE	Wholly owned subsidiary	Loan	6,42,772	41,667,054

**7. EARNINGS PER SHARE:**

<b>Particulars</b>	<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013 (6 Months)</b>
No. of equity shares outstanding (Nos in lakh)	<b>549.421</b>	549.421
Net profit/(loss) after tax available for equity shareholders (Rs. In lakh)	<b>3128.11</b>	(870.47)
Basic earning per share of Rs.10 each	<b>5.69</b>	(1.58)
Diluted earning per share of Rs.10 each	<b>5.69</b>	(1.58)

**8. AUDITORS' REMUNERATION:**

(In Rupees)

<b>Particulars</b>	<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013</b>
Audit fees	<b>60,000</b>	60,000
Tax Audit fees	<b>15,000</b>	15,000

9. 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.
10. Adequate provisions as required by Accounting Standard 15 employees benefits has been made and no further liability on this account is envisaged.
11. The Company has given unsecured interest free loans which is not recoverable due to financial problems of the following Companies:

<u>Name of the Company:</u>	<u>Amount in Rs.</u>
1. Rockstrong Investments Private Limited	89,310,000
2. Sunbright Investments Private Limited	67,960,000
3. Maverick Infotec Private Limited	2,772,040
4. Kakti Trading And Commercials Private Limited	22,721,897
5. Sukhy Commercial And Trading Private Limited	13,301,820
6. Transal Enterprises Private Limited	15,320,137
7. Bhoruka Aluminium FZE (Wholly owned Subsidiary)	41,667,054
	<hr/> 253,052,948 <hr/>

**12. HIRE PURCHASE:**

Motor vehicles purchased on non-cancellable hire purchase basis:

(In Rupees)

Particulars	31 <sup>st</sup> March, 2014 (12 Months)	31 <sup>st</sup> March, 2013 (6 Months)
Hire purchase expenditure included in Profit and Loss account	<b>Nil</b>	37,717
Total minimum instalments for fixed and non-cancellable term as year ended	<b>Nil</b>	3,74,192
Not later than one year	<b>Nil</b>	3,18,997
More than one year less than five years	<b>Nil</b>	55,195

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

**In terms of our report of even date**

for **R.S. AGARWALA & CO.,**  
Firm Reg No-00049S  
Chartered Accountants

**M. Gandhi**  
Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**For and on behalf of the Board**

**R.K. Aggarwal**  
Chairman & Managing Director

**Ram Ekbal Singh**  
Director

**S.P. Manjunath**  
Additional Director

**S.P. Shanthinath**  
Director

**A.K.Pandey**  
Whole Time Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Rs. in lakh)

Particulars	31 <sup>st</sup> March, 2014	6 months ended 31 <sup>st</sup> March, 2013
<b>A. Cash flow from Operating activities</b>		
Net profit before Tax	3,669.03	(870.47)
Adjustment for:		
Depreciation & Amortisation Expense	77.34	173.76
Profit on Sale/discard of Fixed Assets	(4,338.65)	0.03
Finance Cost	96.75	69.14
Interest Income	(8.02)	(0.60)
<b>Operating profit before working capital changes</b>	<b>(503.55)</b>	<b>(628.14)</b>
Changes In Working Capital		
Adjustments for Increase/Decrease in operating Assets		
Inventories	2,211.21	283.15
Trade receivables	230.97	(44.32)
Long Term Loans and Advances	81.47	(3.11)
Other Current Assets	489.17	26.86
	<b>3,012.82</b>	<b>262.58</b>
Adjustments for Increase/Decrease in operating Liabilities		
Trade payables	(1,188.09)	(263.39)
Other Current Liabilities	(3,797.97)	-
Non Current Liabilities	-	740.30
	<b>(4,986.06)</b>	<b>476.91</b>
<b>Net Cash Generated from/(used in) operating Activities</b>	<b>(2,476.79)</b>	<b>111.35</b>
<b>B. Cash flow from Investment Activities</b>		
Capital Expenditure on Fixed Assets	-	(13.35)
Proceeds from sale of fixed assets	8,999.24	1.82
sale of Investment in subsidiary	0.99	(0.99)
<b>Net cash used in Investing activities</b>	<b>9,000.23</b>	<b>(12.52)</b>
<b>C. Cash flow from Financing Activities</b>		
Receipts/Repayment of Long Term Borrowings (Secured)	759.45	-
Receipts/Repayment of Unsecured Loans	(160.38)	(15.00)
Receipts/Repayment of Short Term Secured Loans	(6,974.58)	(6.34)
Interest on Borrowings	(88.73)	(68.54)
<b>Net cash from financing activities</b>	<b>(6,464.24)</b>	<b>(89.88)</b>
<b>Net increase in cash and cash equivalents ( A+B+C )</b>	<b>59.20</b>	<b>8.95</b>
Opening balance of cash & cash equivalents	45.64	36.69
Closing balance of cash & cash equivalents	104.84	45.64

In terms of our report of even date

For and on behalf of the Board

for **R.S. AGARWALA & CO.,**  
Firm Reg No-00049S  
Chartered Accountants

**R.K. Aggarwal**  
Chairman & Managing Director

**S.P. Shanthinath**  
Director

**M. Gandhi**  
Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**Ram Ekbal Singh**  
Director

**A.K.Pandey**  
Whole Time Director

**S.P. Manjunath**  
Additional Director

**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	31st March, 2014 (12 months)	31st March, 2013 (6 months period)
03	Shares held in Subsidiary Company	997	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)	997(Equivalent to Rs.422,472,691)
05	Extent of Holding (%)	100%	100%
06	Net aggregate amount of profit/(loss) of the Subsidiary so far as they concern members of the Company		
	a. Dealt within the accounts of the Company for the year ended 31 <sup>st</sup> March, 2014	AED (14,743,566) [Equivalent to (Rs.178,706,213)]	AED(336,800) [Equivalent to Rs.(3,813,212)]
	b. Not dealt within the accounts of the Company for the year ended 31 <sup>st</sup> March, 2014	-	-
07	Net aggregate amount of profit/(loss) of the Subsidiary for the previous years so far as they concern members of the Company		
	a. Dealt within the accounts of the Company upto the year ended 31 <sup>st</sup> March, 2014		
	b. Not dealt within the accounts of the Company upto the year ended 31 <sup>st</sup> March, 2014		
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 year ended 31 <sup>st</sup> March, 2014		

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

Name of Subsidiary : Bhoruka Aluminium FZE  
 Date of Incorporation : 29<sup>th</sup> 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

Particulars	For the Financial Year Ended 31 <sup>st</sup> March, 2014		For the Financial Period Ended 31 <sup>st</sup> March, 2013 (6 months)	
	AED	INR	AED	INR
Share Capital	34,895,000	422,472,691	34,895,000	422,472,691
Reserves & Surplus	(23,282,694)	(281,824,758)	-	-
Total Assets	15,132,016	183,202,852	29,830,532	361,157,335
Total Equity & Liabilities	15,132,016	183,202,852	29,830,532	361,157,335
Investments	-	-	-	-
Turnover	-	-	-	-
Profit/(Loss) Before Taxation	(14,743,566)	(178,706,213)	(336,800)	(3,813,212)
Provision before Taxation	-	-	-	-
Provision for Taxation	-	-	-	-
Profit/(Loss) after Taxation	(14,743,566)	(178,706,213)	(336,800)	(3,813,212)
Proposed Dividend	-	-	-	-
% of Shareholding	100%	100%	100%	100%

Note: General Exemption has been granted (vide Circular No. 2/2011) by the Ministry of Corporate Affairs Government of India and Companies Act, 2013 from attaching the Directors' Report, Balance Sheet and Profit and 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 THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

## **INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

### **To the Board of Directors of Bhoruka Aluminium Limited**

#### **Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of Bhoruka Aluminium Limited (the Company), and its subsidiary (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at **March 31, 2014**, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

## Opinion

5. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the separate financial statements / consolidated financial statements of the subsidiary referred to below in the **Other Matter paragraph**, the aforesaid 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 31<sup>st</sup> March, 2014;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the **Profit** of the Group for the year ended on that date;
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date;

## Other Matter

6. We did not audit the financial statements/consolidated financial statements of subsidiary "Bhoruka Aluminium FZE, UAE and whose financial statements/consolidated financial statements reflect total assets (net) of Rs.1832.03 lakh as at 31<sup>st</sup> March, 2014, total revenue of Rs. Nil lakh and total expenditure of Rs.1787.06 lakh, net loss of Rs. 1787.06 lakh and net cash flows amounting to Rs.Nil for the financial year ended on that date, as considered in the financial statements. These financial statements/consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **R.S. Agarwala & Co.**,  
Firm Reg No-00049S  
*Chartered Accountants*

**M. Gandhi**  
*Partner*

Membership No. 22958

Place: Mysore  
Date: 29<sup>th</sup> May, 2014

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014**

	Notes	As at 31 <sup>st</sup> March 2014 Rs.	Asat 31 <sup>st</sup> March 2013 (6 months) Rs.
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	01	549,421,420	549,421,420
Reserves & Surplus	02	(338,305,241)	(472,409,894)
		<u>211,116,179</u>	<u>77,011,526</u>
<b>Non current Liabilities</b>			
Long term borrowings	03	122,735,218	62,828,195
Long term provisions	04	42,275	37,890,195
		<u>122,777,493</u>	<u>100,718,390</u>
<b>Current Liabilities</b>			
Short term borrowings	05	-	697,458,321
Trade payables		80,178,136	198,986,664
Other current liabilities	06	4,263,949	342,467,944
Short term provisions	07	54,092,377	3,636,011
		<u>138,534,462</u>	<u>1,242,548,940</u>
<b>TOTAL</b>		<u>472,428,134</u>	<u>1,420,278,856</u>
<b>ASSETS</b>			
<b>Non Current Assets:</b>			
<b>Fixed Assets:</b>			
Tangible Assets	08	25,268,131	497,724,077
Intangible Assets		-	1,337,560
		<u>25,268,131</u>	<u>499,061,637</u>
Non Current Investments	09	10,963,800	11,062,800
Long Term Loans and Advances	10	233,829,904	242,619,744
<b>Current Assets:</b>			
Inventories	11	-	221,121,030
Trade Receivables	12	183,934,019	385,003,176
Cash and Bank Balances	13	10,502,227	4,563,722
Other Current Assets	14	7,930,053	56,846,747
		<u>202,366,299</u>	<u>667,534,675</u>
<b>TOTAL</b>		<u>472,428,134</u>	<u>1,420,278,856</u>
The Notes form an integral part of these financial statements	1-21		

**In terms of our report of even date**

for **R.S. AGARWALA & CO.**,  
Firm Reg No-00049S  
Chartered Accountants

**M. Gandhi**

Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**For and on behalf of the Board**

**R.K. Aggarwal**  
Chairman & Managing Director

**S.P. Shanthinath**  
Director

**Ram Ekbal Singh**  
Director

**A.K.Pandey**  
Whole Time Director

**S.P. Manjunath**  
Additional Director

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

	Notes	31 <sup>st</sup> March 2014 Rs.	6 months ended 31 <sup>st</sup> March 2013 Rs.
<b>REVENUE</b>			
Revenue from Operations	15	77,312,412	261,318,292
Less: Excise Duty		8,135,763	24,967,178
<b>Revenue from Operations (Net)</b>		<b>69,176,649</b>	<b>236,351,114</b>
Other Income	16	435,799,270	8,173,138
<b>TOTAL REVENUE</b>		<b>504,975,919</b>	<b>244,524,252</b>
<b>EXPENSES</b>			
Cost of materials consumed		30,847,137	161,917,451
Changes in inventories of finished goods, Work-in-progress and Stock-in-trade	17	17,823,239	24,032,461
Employee benefits Expenses	18	21,242,216	55,300,788
Finance costs	19	9,718,053	6,913,606
Depreciation & Amortisation expenses		7,734,238	17,375,953
Other Expenses	20	229,414,001	69,844,607
<b>TOTAL EXPENSES</b>		<b>316,778,884</b>	<b>335,384,866</b>
<b>(Loss) / Profit before Tax</b>		<b>188,197,035</b>	<b>(90,860,614)</b>
<b>Tax Expense</b>			
- Current Taxes		54,092,377	-
<b>(Loss)/ Profit after Tax for the year</b>		<b>134,104,658</b>	<b>(90,860,614)</b>
<b>Earnings per Share</b>			
Basic		2.44	(1.65)
Diluted		2.44	(1.65)
The Notes form an integral part of these financial statements	1-21		

**In terms of our report of even date**

for **R.S. AGARWALA & CO.,**  
Firm Reg No-00049S  
Chartered Accountants

**M. Gandhi**

Partner.  
Membership No: 22958  
Mysore, 29<sup>th</sup> May, 2014

**For and on behalf of the Board**

**R.K. Aggarwal**  
Chairman & Managing Director

**S.P. Shanthinath**  
Director

**Ram Ekbal Singh**  
Director

**A.K.Pandey**  
Whole Time Director

**S.P. Manjunath**  
Additional Director

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
5,60,00,000 (5,60,00,000 in Previous Year) Equity shares of Rs.10/- each	<b>560,000,000</b>	560,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
5,49,42,142 (5,49,42,142 in Previous Year) Equity shares of Rs. 10/- each fully paid up	<b>549,421,420</b>	549,421,420

Particulars	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	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 27 <sup>th</sup> January 2011 as per scheme of amalgamation of erstwhile Bhoruka Agro Greens Ltd duly approved by Hon'ble High Court of Karnataka	<b>5,903,333</b>	<b>59,033,330</b>	5,903,333	59,033,330
(ii) On 18 <sup>th</sup> October 2011 as bonus shares by capitalization of Securities Premium Account.	<b>27,471,071</b>	<b>274,710,710</b>	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	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No. of Shares	Rupees	No. of Shares	Rupees
<b>Shares at the beginning of the year</b>	<b>54,942,142</b>	<b>549,421,420</b>	54,942,142	549,421,420
<b>Shares at the end of the year</b>	<b>54,942,142</b>	<b>549,421,420</b>	54,942,142	549,421,420

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

### Details of shareholders holding more than 5% shares

Name of the Shareholder	31 <sup>st</sup> March 2014		31 <sup>st</sup> March 2013	
	No. of Shares held	% of Holdings	No. of Shares held	% of Holdings
Raj Kumar Aggarwal	56,02,656	10.20	36,58,282	6.66
Rockstrong Investments Private Ltd	28,06,666	5.11	28,06,666	5.11

## 2. RESERVES AND SURPLUS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>Amalgamation Reserve</b>	<b>75,720,251</b>	75,720,251
	<u>75,720,251</u>	<u>75,720,251</u>
<b>Capital Reserve</b>		
As per Last Balance Sheet	57,500	57,500
<b>Securities Premium Account</b>		
As per Last Balance Sheet	211,003,395	211,003,395
	<u>211,003,395</u>	<u>211,003,395</u>
<b>Central Subsidy</b>		
As per Last Balance Sheet	1,500,000	1,500,000
<b>Surplus as per Statement of Profit &amp; Loss</b>		
As per Last Balance Sheet	(760,691,045)	(669,830,426)
Profit /(Loss) for the year	134,104,658	(90,860,614)
	<u>(626,586,387)</u>	<u>(760,691,040)</u>
	<u>(338,305,241)</u>	<u>(472,409,894)</u>

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

Particulars	Non Current		Current Maturities	
	31st March 2014	31st March 2013	31st March 2014	31st March 2013
	Rupees	Rupees	Rupees	Rupees
<b>Secured</b>				
<b>Term Loans</b>				
From Banks	-	-	-	223,949,927
<b>Other Loans</b>				
From Banks	76,000,000	55,195	-	318,997
<b>Unsecured</b>				
Other Loans	46,735,218	62,773,000	-	-
	<b>122,735,218</b>	62,828,195	-	224,268,924

**Other Information Pertaining to Nature of security**

Particulars of Nature of Security	Security to the extent	
	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
1. Hypothecation of Stocks, receivables, dies & other assets including incentives, duty draw back & other current assets.	76,000,000	92,14,08,248
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 <sup>th</sup> 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.		
7. Personal property of promoters		
<b>Details of other Unsecured Loans</b>		
Karnataka State Development Loan	923,000	923,000
From Related Parties	45,812,218	41,119,008
Other Loans & Advances	-	24,741,018
	<b>46,735,218</b>	66,783,026
<b>4. LONG TERM PROVISIONS</b>		
For Employee Benefits	42,275	37,890,195
	<b>42,275</b>	37,890,195



## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>5. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Loans Repayable on Demand from Banks</b>		
Working Capital Loans From Bank (Treated as Non Performing Assets by Bank since 31 <sup>st</sup> December, 2011 and continuing default in repayment of loan and interest) (Including foreign currency loan (FCNR) of Rs Nil (Previous year Rs. Nil)) 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.	-	697,458,321
	<hr/>	<hr/>
	-	697,458,321
<b>6. OTHER CURRENT LIABILITIES</b>		
<b>Current Maturities of Long - Term Debt</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From Banks (Treated as Non Performing Assets by Bank since 31 <sup>st</sup> 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
<b>Others Loans</b>		
From Banks Secured by hypothecation of Vehicles acquired under hire purchase agreements	-	318,997
<b>Unsecured</b>		
Other Loans	-	-
Accrued Expenses & Other Payables	<b>887,865</b>	1,000,000
Advances from Customers	<b>77,174</b>	95,423,493
Trade / Security Deposits	-	9,250,677
Interest Accrued and Due on other Borrowings	-	3,010,026
Employees Liability	<b>1,386,868</b>	-
Statutory Remittances	<b>56,624</b>	1,201,842
Others	<b>1,855,418</b>	8,312,982
	<hr/>	<hr/>
	<b>4,263,949</b>	342,467,944
<b>7. SHORT TERM PROVISIONS</b>		
Income Tax Current Year	<b>54,092,377</b>	-
Bonus payable	-	3,636,011
	<hr/>	<hr/>
	<b>54,092,377</b>	3,636,011

## 8. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Carrying Value				
	As at 01.04.2013	Additions	Disposals	As at 31.03.2014	Opening as at 01.04.2013	For the year	Impairment LOSS Reversal	Closing as at 31.03.2014	Slump Sale 31.05.2013	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>											
Land	8,382,418	-	-	8,382,418	-	-	-	-	916,423	7,465,995	8,382,418
Buildings	223,307,853	-	631,220	222,676,633	48,101,087	1,246,310	358,486	48,988,911	173,687,722	-	175,206,766
Plant & Machinery	408,518,270	-	994,871	407,523,399	147,859,062	3,218,994	834,087	150,243,969	257,279,430	-	260,659,208
Electrical Installations	40,439,341	-	-	40,439,341	15,689,553	419,296	-	16,108,849	24,330,492	-	24,749,788
Office Equipments	5,252,289	-	262,850	4,989,439	4,028,276	81,748	228,572	3,881,452	1,107,987	-	1,224,013
Computers	4,480,785	-	509,600	3,971,185	2,707,809	121,388	265,538	2,563,639	1,407,546	-	1,772,976
Furniture & Fittings	6,755,728	-	262,968	6,492,760	1,934,723	70,033	45,898	1,958,858	4,533,902	-	4,821,005
Vehicles	14,717,106	-	2,198,669	12,518,437	8,346,218	1,182,015	1,429,675	8,098,558	-	4,419,879	6,370,888
Agricultural Assets	22,881,377	-	-	22,881,377	8,344,362	1,154,757	-	9,499,119	-	13,382,258	14,537,015
<b>TOTAL</b>	<b>734,735,167</b>	<b>-</b>	<b>4,860,178</b>	<b>729,874,989</b>	<b>237,011,090</b>	<b>7,494,521</b>	<b>3,162,256</b>	<b>241,343,355</b>	<b>463,263,502</b>	<b>25,268,132</b>	<b>497,724,077</b>
<b>Intangible Assets</b>											
Computer Software	8,872,901	-	-	8,872,901	7,535,341	239,716	-	7,775,057	1,097,844	-	1,337,560
<b>GRAND TOTAL</b>	<b>743,608,068</b>	<b>-</b>	<b>4,860,178</b>	<b>738,747,890</b>	<b>244,546,431</b>	<b>7,734,237</b>	<b>3,162,256</b>	<b>249,118,412</b>	<b>464,361,346</b>	<b>25,268,132</b>	<b>499,061,637</b>
Previous Year	742,816,154	1,334,580	542,666	743,608,068	227,528,674	17,375,953	358,196	244,546,431	-	499,061,637	-

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>9. NON CURRENT INVESTMENTS (at cost)</b>		
<b>Non -Traded</b>		
<b>Quoted</b>		
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	<b>8,712,500</b>	8,712,500
75,500 shares of TCI Finance Ltd of Rs. 10 each	<b>2,240,000</b>	2,240,000
Market Value of quoted Investments Rs 79,094,988 (Previos year 496.86 lacs)		
<b>Unquoted</b>		
Government Securities		
National Savings Certificates / Indira Vikas Patras (Deposited with Sales Tax and Excise Departments)	<b>11,300</b>	11,300
<b>In Subsidiary</b>		
9900 (99%) Equity Shares of Rs10 each of Bhoruka Facades Pvt. Ltd	-	99,000
	<b>10,963,800</b>	11,062,800
<b>10. LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured</b>		
Security Deposits	<b>109,010</b>	8,767,870
Deposit with Landlords	<b>665,000</b>	915,000
Loan and Advances to Related Parties	<b>2,772,040</b>	2,772,040
Loan and Advances to Subsidiary	-	-
Loans and Advances to Associates	<b>157,270,000</b>	157,270,000
Loans and Advances to Others	<b>73,013,854</b>	72,894,834
	<b>233,829,904</b>	242,619,744
<b>11. INVENTORIES</b>		
<b>(As taken valued and certified by the management)</b>		
AT LOWER OF COST AND NET REALISABLE VALUE		
Finished goods	-	8,366,421
Raw materials	-	5,187,475
Work in progress	-	9,456,818
Stores, spares & consumables (At cost)	-	198,110,316
Coffee Stock	-	-
	-	221,121,030

**CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>12. TRADE RECEIVABLES</b>		
<b>Outstanding more than six month from the due date</b>		
Unsecured, Considered Good	-	5,464,291
Foreign	<b>183,184,885</b>	-
Unsecured, Considered Doubtful	-	4,409,681
Others	<b>749,134</b>	-
<b>Outstanding less than six month from the due date</b>		
Unsecured, Considered Good	-	375,129,204
	<b>183,934,019</b>	<b>385,003,176</b>
<b>13. CASH AND BANK BALANCES</b>		
Cash in hand	<b>1,068,161</b>	4,500,510
Balances with banks		
- In Current accounts	<b>8,768,999</b>	(583,888)
- In Deposit accounts*	<b>647,100</b>	647,100
*Deposited with bank against Guarantee issued and as Margin Money		
Balances with Foreign banks	<b>17,967</b>	-
	<b>10,502,227</b>	<b>4,563,722</b>
<b>14. OTHER CURRENT ASSETS</b>		
<b>Unsecured</b>		
Trade Advances - Considered Good	<b>20,000</b>	5,232,221
Advance to Staff & Workmen	<b>174,000</b>	249,771
Other Deposits	-	24,000
Advance Payment of Taxes	<b>1,167,437</b>	967,158
Excise Duty	<b>2,627</b>	2,362,155
VAT Input Tax	<b>6,472,235</b>	47,917,688
Interest Receivable	<b>93,754</b>	93,754
	<b>7,930,053</b>	<b>56,846,747</b>
<b>15. REVENUE FROM OPERATIONS</b>		
Sale of Extrusions	<b>76,026,452</b>	260,356,269
Sale of Agricultural Products	<b>1,262,643</b>	704,580
Job Work Charges	<b>23,317</b>	257,443
<b>Revenue from Operations (Gross)</b>	<b>77,312,412</b>	261,318,292
Less:- Excise Duty	<b>8,135,763</b>	24,967,178
<b>Revenue from Operations (Net)</b>	<b>69,176,649</b>	<b>236,351,114</b>
<b>16. OTHER INCOME</b>		
Interest Income	<b>802,400</b>	60,268
Exchange Rate Difference	<b>64,143</b>	-
Debit and Credit balance no longer required-written back (Net)	-	7,578,870
Rent	<b>1,068,000</b>	534,000
Profit on sale of Assets	<b>433,864,727</b>	-
Miscellaneous		
	<b>435,799,270</b>	<b>8,173,138</b>

## CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE</b>		
<b>Opening Stock :</b>		
Finished goods	8,366,421	9,095,227
Goods at bonded warehouse	-	-
Work in progress	9,456,818	32,760,473
Coffee Stock	-	-
	<u>17,823,239</u>	<u>41,855,700</u>
<b>Less : Closing Stock</b>		
Finished goods	-	8,366,421
Coffee Stock	-	-
Work in progress	-	9,456,818
	<u>-</u>	<u>17,823,239</u>
	<u>17,823,239</u>	<u>24,032,461</u>
<b>18. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	19,042,074	50,535,762
Contribution to Provident and other funds	875,488	1,941,735
Workmen and staff welfare expenses	1,324,654	2,823,291
	<u>21,242,216</u>	<u>55,300,788</u>
<b>19. FINANCE COSTS</b>		
Interest	9,622,697	6,658,213
Other Borrowing Cost	95,356	255,393
	<u>9,718,053</u>	<u>6,913,606</u>
<b>20. OTHER EXPENSES</b>		
Consumption of stores, spares & consumables	4,620,992	16,248,391
Power and fuel	7,955,539	25,794,721
Job Work Charges - Expenses	436,496	3,588,154
Others	467,604	343,655
Repairs and maintenance to buildings	5,363	50,116
Repairs and maintenance to machineries	175,950	759,964
Freight outward	82,311	1,652,979
Packing charges	830,853	3,285,957
Vat and Octroi	64,626	173,656
Sales Promotion & Advertisement	157,301	119,336
Discount & commission	377,122	4,304,945
Rent	204,784	193,430
Rates and taxes	2,883,674	161,200
Repairs & Maintenance - Others	303,326	446,173
Telephone charges	241,691	442,440
Printing and stationery	297,761	450,807
Insurance	277,557	18,369
Legal and consultancy charges	1,344,766	919,739
Travelling & conveyance	1,361,745	2,424,454
Directors Fees	125,000	190,000

**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>20. OTHER EXPENSES (Contd...)</b>		
Auditors Remuneration		
- Audit Fees	<b>60,000</b>	60,000
- Tax Audit Fees	<b>15,000</b>	15,000
Bad Debts, Irrecoverable balances written off	<b>8,916,493</b>	3,632,091
Sales Tax not recoverable written off	<b>19,375,476</b>	-
Miscellaneous expenses	<b>860,124</b>	1,159,422
Provision for Doubtful Debts - Foreign	<b>177,972,447</b>	-
Loss on discard/ sale of Assets	-	2,649
Donations	-	7,000
Exchange Difference	-	129,964
Prior Period Expenses	-	3,269,995
	<b>229,414,001</b>	69,844,607

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

(Rs. in lakh)

Particulars	31 <sup>st</sup> March 2014	6 months ended 31 <sup>st</sup> March 2013
<b>A. Cash flow from Operating activities</b>		
Net profit before Tax	1,881.97	(908.61)
Adjustment for:		
Depreciation & Amortisation Expense	77.34	173.76
Profit on Sale/discard of Fixed Assets	(4,338.65)	0.03
Finance Cost	97.18	69.14
Interest Income	(8.02)	(0.60)
<b>Operating profit before working capital changes</b>	<b>(2,290.18)</b>	<b>(666.28)</b>
Changes In Working Capital		
Adjustments for Increase/Decrease in operating Assets		
Inventories	2,211.21	283.15
Trade receivables	2,010.69	(7.99)
Long Term Loans and Advances	87.90	2.55
Other Current Assets	489.17	26.86
	<b>4,798.97</b>	<b>304.57</b>
Adjustments for Increase/Decrease in operating Liabilities		
Trade payables	(1,188.09)	(263.39)
Other Current Liabilities	(3,796.88)	-
Non Current Liabilities	-	736.45
	<b>(4,984.97)</b>	<b>473.06</b>
<b>Net Cash Generated from / (used in) operating Activities</b>	<b>(2,476.18)</b>	<b>111.35</b>
<b>B. Cash flow from Investment Activities</b>		
Capital Expenditure on Fixed Assets	-	(13.35)
Proceeds from sale of fixed assets	8,999.24	1.82
sale of Investment in subsidiary	0.99	(0.99)
<b>Net cash used in Investing activities</b>	<b>9,000.23</b>	<b>(12.52)</b>
<b>C. Cash flow from Financing Activities</b>		
Receipts/Repayment of Long Term Borrowings (Secured)	759.45	-
Receipts/Repayment of Unsecured Loans	(160.38)	(15.00)
Receipts/Repayment of Short Term Secured Loans	(6,974.58)	(6.34)
Interest on Borrowings	(89.16)	(68.54)
<b>Net cash from financing activities</b>	<b>(6,464.67)</b>	<b>(89.88)</b>
<b>Net increase in cash and cash equivalents ( A+B+C )</b>	<b>59.38</b>	<b>8.95</b>
Opening balance of cash & cash equivalents	45.64	36.69
Closing balance of cash & cash equivalents	105.02	45.64

**In terms of our report of even date**
**For and on behalf of the Board**

 for **R.S. AGARWALA & CO.,**  
 Firm Reg No-00049S  
 Chartered Accountants

**R.K. Aggarwal**  
 Chairman & Managing Director

**S.P. Shanthinath**  
 Director

**M. Gandhi**  
 Partner.  
 Membership No: 22958  
 Mysore, 29<sup>th</sup> May, 2014

**Ram Ekbal Singh**  
 Director

**A.K.Pandey**  
 Whole Time Director

**S.P. Manjunath**  
 Additional Director





Form No. MGT-11

**PROXY FORM**

**(Pursuant to Section 105(6) of the Companies Act, 2013 and rule (19) of the Companies (Management and Administration Rules 2014)**

**CIN No.** : L27203KA1979PLC003442  
**Name of the Company** : **Bhoruka Aluminium Limited**  
**Registered Office** : **427E, 2nd Floor, Hebbal Industrial Area, Mysore – 570 016**

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. / Client ID	
DP ID	

I/We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint



1. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail ID \_\_\_\_\_

Signature \_\_\_\_\_ or falling him/her

2. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail ID \_\_\_\_\_

Signature \_\_\_\_\_ or falling him/her

3. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail ID \_\_\_\_\_

Signature \_\_\_\_\_ or falling him/her

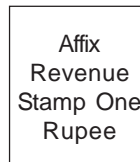
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on the **30<sup>th</sup> day of September, 2014 (Tuesday) at 9.30 AM at Hotel Royal Inn, # 435, K.R.S.Road, Metagalli, Mysore- 570 016** and at any adjournment thereof in respect of such resolutions as are indicated below :

1. Adoption of the Audited Balance Sheet as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. Appointment of M/s. R.S.Agarwala & Co., Chartered Accountants, as the Statutory Auditors of the Company and authorise Board of Directors to fix their remuneration.
3. Appointment of Shri Ram Ekbal Singh as an Independent Director of the Company.
4. Appointment of Shri Shroff Puttabasappa Manjunath as an Independent Director of the Company.
5. Appointment of Shri Saligrama Paraswannath.Shanthinath as an Independent Director of the Company.
6. Re-appointment of Shri Akhilesh Kumar Pandey as Whole Time Director of the Company.
7. Amendment to Articles of Association.
8. Variation in terms of appointment of Shri Akhilesh Kumar Pandey as Whole Time Director.
9. Variation in terms of appointment of Shri R.K.Aggarwal as Managing Director.

Signed \_\_\_\_\_ this day of 2014

Signature of Shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_



Note :This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

## ATTENDANCE SLIP

**CIN No.** : L27203KA1979PLC003442  
**Name of the Company** : **Bhoruka Aluminium Limited**  
**Registered Office** : **427E, 2nd Floor, Hebbal Industrial Area, Mysore – 570 016**

Registered Folio / DP ID & Client ID	
Name and Address of the Shareholder	



1. I hereby record my presence at the **34<sup>th</sup> Annual General Meeting** of the Company to be held on **Tuesday, 30<sup>th</sup> September, 2014 at 9.30 A.M. at Hotel Royal Inn, # 435, K.R.S.Road, Metagalli, Mysore-570 016**
2. Signature of the Shareholder/Proxy Present \_\_\_\_\_
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.
4. Shareholder/Proxy desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting.





NOTES

Lined area for notes with horizontal ruling lines.



*If undelivered please return to:*

Registered Office

**BHORUKA ALUMINIUM LIMITED**

427E, 2nd Floor, Hebbal Industrial Area,

Mysore - 570 016

E-mail : [company.secretary@bhorukaaluminium.com](mailto:company.secretary@bhorukaaluminium.com)

[www.bhorukaaluminium.com](http://www.bhorukaaluminium.com)