

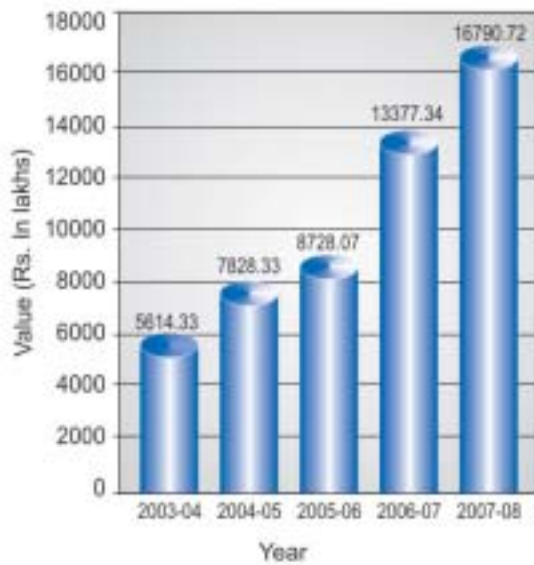


**BHORUKA  
ALUMINIUM**  
PROFILING THE FUTURE IN ALUMINIUM

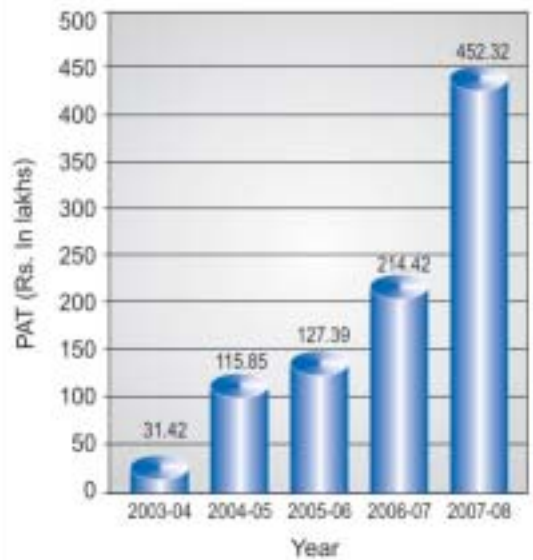
28th Annual Report 2007-08



### SALES



### Profit After Tax

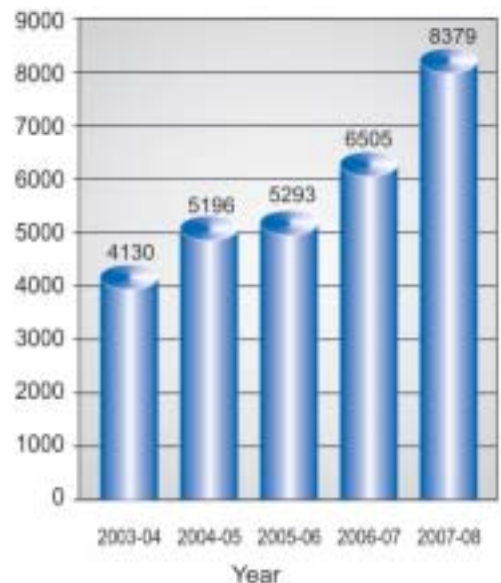


### How rupee spent



- Material consumed
- Excise duty
- Purchase of Traded Goods
- Manufacturing expenses
- Personnel Expenses
- Selling & Administrative expenses
- Finance Charges
- Depreciation
- Income tax
- Dividend distribution
- Transfer to reserve

### Production (MTs)



<b>Board of Directors</b>	Shri M. Sreenivasa Rao Shri R.K.Agarwal Shri Rajat Agarwal Shri M.K. Panduranga Setty Dr. B.L. Amla Shri Prabir Chakravarti	<i>Chairman</i> <i>Managing Director</i> <i>Executive Director</i>
<b>Chief Executive Officer</b>	Shri R.K.Jain	
<b>Company Secretary</b>	Shri K. Chandra Sekhar	
<b>Bankers</b>	State Bank of India	
<b>Statutory Auditors</b>	M/s. R.S Agarwala & Co., Chartered Accountants Bangalore	
<b>Registered Office &amp; Works</b>	# 1. K.R.S. Road Metagalli Mysore – 570 016.	
<b>Listed at</b>	Bombay Stock Exchange Ltd, Mumbai	
<b>Registrars &amp; Share Transfer Agent</b>	M/s Karvy Computershare Pvt Ltd 17-244, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081.	

## **Twenty Eighth Annual General Meeting**

**Date : July 21, 2008**

**Venue : #1, KRS Road, Metagalli, Mysore - 16**

### **Contents**

Notice .....	3
Directors' Report .....	5
Management Discussion and Analysis .....	11
Corporate Governance Report .....	13
Auditors' Report .....	21
Balalce Sheet .....	25
Profit and Loss Account .....	26
Schedules to Accounts .....	27
Cash Flow Statement .....	37
General Business Profile .....	38
Proxy form and Attendance slip .....	39

## NOTICE

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Monday, the 21<sup>st</sup> July, 2008 at 11.45 A.M. at the Registered Office of the Company at # 1, K.R.S. Road, Metagalli, Mysore - 570 016, to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Profit and Loss Account for the year ended 31<sup>st</sup> March 2008 and the Balance Sheet as on that date together with Directors' and the Auditors' Reports thereon.
2. To appoint a Director in place of Shri Prabir Chakravarti, who retires by rotation and being eligible, offers himself for re- appointment.
3. To declare dividend on equity shares for the year ended 31<sup>st</sup> March 2008.
4. To Appoint Statutory Auditors and Authorise the Board to fix their remuneration.

**By Order of the Board**

Place : Bangalore  
Date : 3<sup>rd</sup> June, 2008

**K.Chandra Sekhar**  
Company Secretary

### NOTES:

1. **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.**
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 12<sup>th</sup> July, 2008 to Monday, 21<sup>st</sup> July, 2008 (both days inclusive).
4. The dividend, if approved, will be paid to the shareholders whose names appear:-
  - i. as Beneficial Owners as per list furnished by the Depositories in respect of shares held in demat as on 11<sup>th</sup> July, 2008 and
  - ii. as Members on the Register of Members of the Company as on 11<sup>th</sup> July, 2008 after giving effect to all valid share transfers in physical form.
5. Company's shares have been dematerialized with National Securities Depository Limited (NSDL) and Central Depository Services(India) Limited (CDSL). Members opting to convert their physical holdings into demat form can send their share certificates to Registrars & Share Transfer Agents,

M/s. Karvy Computershare Private Limited, 17-244, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 through their Depository Participant (DP).

6. Members may please note that the dividend warrant shall be payable at par at the designated branches of the bank for an initial period of 6 months only. Thereafter, the dividend warrant should be surrendered at the office of the Company's Share Transfer Agents M/s Karvy Computershare Private Limited, Hyderabad for revalidation.
7. Bank account details given by members in case of demat holding to their Depository Participant (DPs) and passed on to the Company by such DPs would be printed on the dividend warrants or paid through Electronic Clearing System (ECS) of the concerned members. However, if any member(s) want to receive the dividend warrant in any other bank account, he/she should change/correct the bank account details with their concerned DPs. The Company would not entertain any such request from shareholders directly for deletion/change in the bank account details.
8. Any change in particulars including address, bank mandate and nomination of shares held in demat form, should be notified only to the respective Depository Participants where the members have opened their demat account. However any change in particulars in respect of shares held in physical form should be sent to the Company's Share Transfer Agents as indicated above.
9. Members are requested to avail the nomination facility.

**By Order of the Board**

Place : Bangalore  
Date : 3<sup>rd</sup> June, 2008

**K.Chandra Sekhar**  
Company Secretary

## Directors' Report

The Board of Directors of your company hereby present the Twenty Eighth Annual Report together with the audited statement of accounts for the year ended 31<sup>st</sup> March 2008.

### 1. Financial Results:

(Rs.)

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
Sales income	1,679,072,003	1,337,734,276
Profit before interest, depreciation & tax	170,815,393	99,829,484
Financial charges	87,787,137	61,751,490
Depreciation	12,680,575	7,555,810
Profit before tax	70,347,681	30,522,184
Provision for taxation		
- Current	20,384,400	4,299,121
- Deferred (Net)	3,262,018	4,538,835
Fringe Benefit Tax	1,469,505	242,035
Profit after tax	45,231,758	21,442,193
Add:Balance brought forward from previous year	16,023,678	-5,418,515
Profit available for appropriation	61,255,436	16,023,678
Proposed dividend	5,443,080	-
Tax on proposed dividend	9,25,051	-
Transferred to General reserve	20,000,000	-
Balance carried to Balance Sheet	34,887,305	16,023,678

### 2. Operations:

Your Company has reported a stellar performance for the year under review. The turnover has increased by 25% from Rs.133.77 Crore to Rs.167.90 Crore and the net profits for the same period registered an increase of 111% from Rs.2.14 Crore to Rs.4.52 Crore. Both these were in fact highest achieved by your Company since its inception.

In line with an impressive increase in turnover, the Production also increased to 8,379 M.Tons. from 6,505 M.Tons.

To meet the growing demand, the Company has taken up an expansion plan to increase its installed capacity. The plant is in advanced stage of implementation and it is expected to begin commercial production in first week of October 2008.

### 3. Dividend:

In view of an excellent performance during the last year, your directors are pleased to recommend a maiden dividend of 12% for the year ended 31<sup>st</sup> March 2008. The dividend, if approved at

the forthcoming Annual General Meeting, will be paid out of the profits of the Company for the year and will absorb Rs.0.54 Crore. The dividend will be paid to those shareholders whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Share Transfer Agents on or before 11<sup>th</sup> July, 2008 and those whose names appear as Beneficial Owners in the records of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on the said date.

#### **4. Prospects:**

With a buoyant construction sector and healthy GDP, the domestic demand for Aluminium Extrusion is likely to increase at a rate of 10 to 11%. Construction, Automobiles, Consumer durables are the future drivers of growth. India has a huge potential for consumption of aluminium extrusions. A sudden need to improve infrastructure, over all growth in the economy and improvement in disposable income will maintain strong demand in this sector.

The Company already has an anodizing plant and in accordance with the Company's focus on value added activities, a state of the art modern. Powder Coating Plant was commissioned during the last year to meet growing demand of quality powder coated extrusions.

Additionally, in order to provide a high degree of customer services, a modern ERP system ( S A P ) was successfully implemented this year to integrate various Business Processes.

#### **5. Corporate Governance:**

Pursuant to Clause 49 of the Listing Agreement, a report on Corporate Governance along with the Auditors' Certificate regarding the compliance of the mandatory requirements and also Management Discussion and Analysis are given as annexure to this report.

#### **6. Management Discussion and Analysis:**

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

#### **7. Directors' Responsibility Statement:**

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

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed.
- 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 at the end of the financial year and of the profit of the company for that period.
- 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.
- iv) the Directors have prepared the annual accounts on a going concern basis.



#### **8. Dematerialisation of Securities:**

Company's securities have been admitted for Dematerialisation with both National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

#### **9. Public Deposits:**

Your company has not accepted any deposits from the public.

#### **10. Directors:**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Prabir Chakravarti, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **11. Auditors:**

M/s. R.S. Agarwala & Co., Chartered Accountants, retires at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and they have indicated their willingness to act as such, under Section 224(1)(B) of the Companies Act, 1956.

#### **12. Cost Auditors:**

Pursuant to the provisions of Section 233B of the Companies Act, 1956 Shri Gururaja Rao has been appointed as Cost Auditor to conduct cost audit of books of account.

#### **13. Particulars of Employees U/S 217 (2A) of the Companies Act, 1956:**

The information as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is annexed hereto as Annexure B and forms part of this report.

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

The particulars required under Section 217 (1) (e) of the Companies Act, 1956, relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo are given in a separate statement attached hereto and forming part of this report.

#### **15. Personnel:**

The relationship with employees continued to be cordial throughout the year.

#### **16. Acknowledgement:**

Your Directors take this opportunity to convey their sincere thanks for the timely assistance and co-operation received from State Bank of India and various departments of both Central and State Governments, Suppliers and Customers. Your Directors also wish to place on record their appreciation for the services rendered by the officers, staff and workers of the Company at all levels for their dedicated efforts.

**For and on behalf of the Board**

Place: Bangalore  
Date : 3<sup>rd</sup> June, 2008

**M. Sreenivasa Rao**  
*Chairman.*

**ANNEXURE TO THE DIRECTORS' REPORT:**

Particulars required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988

**FORM A****CONSERVATION OF ENERGY:**

## a) Measures taken for Conservation of Energy:

Efforts are taken on continuous basis for conservation of energy resulted in increased productivity per unit of energy.

## b) Additional Investment Proposals:

Not quantifiable since expenditure are incurred normally through the system of maintenance and improvement.

**POWER AND FUEL CONSUMPTION:**

Particulars	Current year 2007-08	Previous year 2006-07
<b>1. Electricity:</b>		
<b>a) Purchased:</b> Karnataka Power Transmission Corporation Ltd. Units(KWH)	2,693,370	2,403,158
Total Amount (Rs.)(Inclusive of Demand Charges & Surcharge)	15,205,791	13,988,708
Rate per Unit (Rs.)	5.64	5.82
<b>b) Own Generation:</b>		
i. Through Diesel generation Units(KWH)	303,658	319,064
Unit per litre of Diesel Oil	3.40	3.55
Cost per Unit (Rs.)	10.26	10.08
ii. Through Stream Turbine/Generator	-Nil-	-Nil-
<b>c) Others – purchased (KWH)</b>	7,037,850	5,850,000
Rate per Unit (Rs.)	4.09	4.10
<b>2. Coal (Specify quality &amp; Where used)</b>	-Nil-	-Nil-
<b>3. Furnace Oil</b>		
Quantity (Kgs)	913,861	683,463
Total Amount (Rs.)	20,094,844	14,199,848
Average rate (per Kg.) (Rs.)	21.99	20.78
<b>4. Others – Internal Generation</b>	-Nil-	-Nil-
<b>Consumption per unit of Production</b>		
Products – Aluminium Extrusion		
Production (M.Tons)	8,379	6,505
Electricity units/M. T.	1,198	1318
Furnace Oil Kgs/MT	109	104
Coal (Specify quality)	-Nil-	-Nil-
Others (Specify)	-Nil-	-Nil-

## FORM B

### FORM FOR DISCLOSURE OF PARTICULARS IN RESPECT OF TECHNOLOGY ABSORPTION:

#### a. RESEARCH AND DEVELOPMENT (R & D)

- 1) Specific areas in which R & D carried out by the Company:  
Upgradation of existing technologies/products undertaken on continuous basis
- 2) Benefits derived as a result  
Improved productivity/process efficiencies  
Competitive prices and product quality  
Safe and environment friendly processes
- 3) Future plan of action:  
Efforts are put forth on continuous basis to improve R & D activity for achieving product quality, productivity and yield.
- 4) Expenditure on R & D

	Current year 2007-2008	Previous year 2006-2007
a) Capital	-	-
b) Recurring	- Not ascertainable-	

#### b. TECHNOLOGY ABSORPTION, ADOPTION & INNOVATION:

- 1) Efforts in brief made towards technology absorption, adoption and innovation: As per 1 above
- 2) Benefits derived as a result of the above: As per 2 above
- 3) In case Imported Technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished - Not Applicable-

## FORM C

### FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs.)

Particulars	Current Year 2007-2008	Previous Year 2006-2007
<b>a. Foreign Exchange Earnings:</b>		
1) Export of Goods ( F. O. B)	17,967,131	40,900,064
2) Others	-Nil-	-Nil-
<b>Total</b>	<b>17,967,131</b>	<b>40,900,064</b>
<b>b. Foreign Exchange Outgo:</b>		
1) Finished goods	20,008,489	-
2) Raw Material	45,016,009	6,129,278
3) Stores & Spares	7,797,590	30,303,662
4) Travel	5,339,623	1,953,586
5) Commission	176,924	420,312
6) Capital Equipment	10,662,218	-
7) Others	1,476,356	1,723,213
<b>Total</b>	<b>90,477,209</b>	<b>40,530,051</b>

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2008

Name of the employee	Age	Designation	Gross remuneration (Rs.)	Qualification	Exp.	Date of Commencement of employment	Particulars of last employment	
							Employer	Post last held
Shri R.K. Aggarwal	53 years	Managing Director	2,735,135	B.Com, MBA (USA)	28 years	Since 1979	-N.A-	N.A-

## AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

We have examined the compliance of the conditions of Corporate Governance by Boruka Aluminium Limited for the year ended 31<sup>st</sup> March 2008, as stipulated under Clause 49 of Listing Agreement of the said Company entered with Stock Exchange of India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

On the basis of records maintained by the Company, we state that during the year ended 31<sup>st</sup> March 2008, 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 the efficiency of effectiveness with which the management has conducted the affairs of the Company.

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

Place: Bangalore  
Date : 3<sup>rd</sup> June, 2008

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### A. Industry structure:

Last year, the Company achieved its best ever performance. Improved overall efficiency and better product mix culminated in highest production of 8379 M.T. since inception. The Company is in business for last 27 years and with its prompt customer service, unmatched quality and timely delivery enjoys excellent competitive edge.

The Indian economy, on a high growth curve remained one of the fastest growing countries. Globally, there is a shift of manufacturing towards Asia; aluminium extrusion is no exception, particularly against raising power and other manufacturing costs in Western countries. Other influencing factors are good quality local bauxite and strong domestic demand.

### B. Opportunities:

Aluminium is a versatile metal and can be given any shape, easily. This with its strength to weight ratio provides a vast scope for innovative designs and newer applications. In fact, increasing use of extrusions in automobiles, railways, consumer durables, electronics prove this. New applications and strong demand will even absorb increasing capacities. Recent trends indicate a shift towards quality and timely deliveries and companies able to deliver both have a bright future.

### C. Threats

Appreciation of rupee and reduced customs tariff makes threat of import from neighbouring countries, a reality but is not sustainable over long term. Prices of aluminium like any other metal continued to fluctuate globally, causing hardship to customers. High prices provide opportunities for substitutes.

### D. Internal Control System and their adequacy:

The Company has internal control system commensurate with its size and nature of business, to ensure that all assets are safeguarded and protected against unauthorized use and that all transactions are authorized, recorded and correctly reported. The internal control systems are supplemented by clearly defined levels of authority, policy, guidelines and procedures.

### E. Discussion on Financial Performance:

Last year was a land mark year for your Company. Its splendid performance on all fronts resulted in highest net profit in the history of the Company. The net profit made a substantial jump from Rs. 214.42 Lakh to Rs.452.52 Lakh an increase of 111%. Production of 8,379 M.Tons surpassed all previous year records proving excellent over all efficiencies on all value parameters. These results were achieved despite high volatility in Aluminium prices in International Market. For the first time the Company achieved an EPS of almost Rs.10/- which is equal to the face value of shares.

Appreciation in Rupee made exports uneconomical, however the marketing strategy of the company is flexible and fine tunes the share of exports as required.

With a view to integrate various business process, the successful implementation of modern ERP System (S A P) will further improve the over all operational efficiency in the coming years.

Good quality, timely delivery and focus on customer services, increased the market share and additional capacity is being created to absorb additional demand by installation of new extrusion press scheduled to go on stream in October 2008.

**F. Industrial Relations, Human Resources / Training:**

The Company has always valued its workforce as their biggest asset. The Company has a pool of competitive, dedicated and enthusiastic personnel which is the driving force behind its accelerated growth. The Company's policies and practices ensure a favourable working environment with innovation and motivation. The Company has always put great emphasis on training and honing the skills of staff at various levels.

The industrial relations continued to remain cordial at all levels of employees during the year.

## CORPORATE GOVERNANCE REPORT

### 1) COMPANY'S PHILOSOPHY

Bhoruka Aluminium Limited's philosophy envisages transparency, integrity and accountability of the management team. The Company is continued to be focussed in its efforts for protecting the interest of stakeholders.

### 2) BOARD OF DIRECTORS

The Board comprises of Six Directors of which four are Non-Executive and independent Directors. The Chairman is also Non-Executive and independent Director

#### a) Composition of Directors.

Sl.No.	Name of the Director	Category
1.	Shri M. Sreenivasa Rao	Non-Executive Chairman
2.	Shri R.K. Aggarwal	Managing Director
3.	Shri Rajat Agarwal	Executive Director
4.	Shri M.K. Panduranga Setty	Non-Executive Director
5.	Dr. B.L. Amla	Non-Executive Director
6.	Shri Prabir Chakravarti	Non-Executive Director

b) During the financial year Five Meetings of Board of Directors were held viz. on 30<sup>th</sup> June, 2007, 31<sup>st</sup> July, 2007, 18<sup>th</sup> September, 2007, 27<sup>th</sup> October, 2007 and 25<sup>th</sup> January, 2008

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 Private Company)	Committee Membership Held in other Companies	
			Board Meetings	Last AGM		As Member	As Chairman
1.	Shri M. Sreenivasa Rao	5	5	Yes	1	-Nil-	1
2.	Shri R.K. Aggarwal	5	5	Yes	2	-Nil-	-Nil-
3.	Shri Rajat Agarwal	4	4	Yes	-Nil-	Nil	-Nil-
4.	Shri M.K. Panduranga Setty	5	3	Yes	3	Nil	-Nil-
5.	Dr. B.L. Amla	5	5	Yes	1	-Nil-	1
6.	Shri Prabir Chakravarti	5	5	Yes	10	5	-Nil-

#### d) Re-appointment of Director

At the ensuing Annual General Meeting, Shri Prabir Chakravarti, Director, retires by rotation and being eligible, offers himself for re-appointment. The Brief particulars of the Director proposed to be re-appointed is as under:

**Shri Prabir Chakravarti** born on 30<sup>th</sup> April, 1944 is B.A. (Hons), M.A. (ECO), L.L.B. (Calcutta University). M.B.A. (Queens University, Belfast, U.K.).

He has wide experience in business and administration. He has been the leader of the Employers delegation to International Labour Organization (Geneva) during 1995-1996 and Employers Representatives in the Bipartite Committee of Industrial Relations set up by Ministry of Labour, 1996-97 and has been member of various Standing Committee established by Ministry of Labour. Shri Chakravarti has also attended different meetings of International Labour Organisation as leader of Employers delegation in India and abroad

He served as President of many Clubs & Organisations like All India Organisation of Employers, Bharat Chamber of Commerce, Calcuatta Club Ltd and Rotary club of Calcutta.

He has been immediate past District Governor of Rotary Club International

He is Director of many reputed Companies which includes Reliance Jute Mills (International) Ltd and Jayshree Chemicals Ltd etc.

## COMMITTEES OF THE BOARD

### 3) AUDIT COMMITTEE

The role of 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 reflects 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) Reviewing with the management, and appointment of external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing 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) Reviewing 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 have post audit discussion.
- i) Reviewing 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, shareholders (in case of non payment of declared dividends) and creditors.

#### Composition of Audit Committee is as under

SI No.	Name of the Director	Title	Status
1.	Shri M. Sreenivasa Rao	Chairman	Independent and Non-Executive Directors
2.	Dr. B.L. Amla	Director	
3.	Shri Prabir Chakravarti	Director	
4.	Shri R.K. Aggarwal	Managing Director	Executive Director



Four Audit Committee meetings were held during the year on 30<sup>th</sup> June, 2007, 31<sup>st</sup> July, 2007, 27<sup>th</sup> October, 2007 and 25<sup>th</sup> January, 2008.

Attendance of Committee Members:

Name	Shri M.Sreenivasa Rao	Dr. B.L.Amla	Shri R.K.Aggarwal	Shri Prabir Chakravarti
Number of meetings attended	4	4	4	4

#### 4) REMUNERATION COMMITTEE

Remuneration Committee consists of:

Sl. No.	Name of the Director	Title	Status
1.	Shri Prabir Chakravarti	Chairman	Independent and Non-Executive Directors
2.	Dr. B.L. Amla	Director	
3.	Shri M.K. Panduranga Setty	Director	

During the year under review one meeting of Remuneration Committee was held and all the three members attended the meeting

#### Details of Remuneration paid to Managing Director and Executive Director

(Amount Rs)

Name	Position	Salary	Contribution to P.F	Perks and Allowance
Shri R.K. Aggarwal	Managing Director	15,00,000	1,80,000	10,55,135
Shri Rajat Agarwal	Executive Director (w.e.f. 1.07.2007)	8,10,000	54,000	22,500

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

Sitting fee paid to Non-Executive Directors

Sl.No.	Name of the Director	Rs.
1.	Shri M. Sreenivasa Rao	20,000
2.	Shri M.K. Panduranga Setty	10,000
3.	Dr. B.L. Amla	22,000
4.	Shri Prabir Chakravarti	22,000

#### 5) (a) SHARE TRANSFER AND INVESTORS' GRIEVANCES COMMITTEE

Role of the Committee is to redress the complaints relating to transfer, transmission of shares and related matters. Normally grievances are resolved within a period of 10-12 days and keeping the complaints as minimum as possible. This Committee has not met during the year, as there were no complaints received during the year except general enquiry about conversion of physical shares into demat, change of address and the same was disposed off immediately.

### Composition

The Board has constituted Shareholders' Grievances Committee (the Committee), comprising Chairman: Dr. B.L. Amla and Shri R.K. Aggarwal and Shri M.K. Panduranga Setty as members of the Committee

Compliance officer: Shri K. Chandra Sekhar, Company Secretary for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 and the Listing Agreement entered with the Stock Exchange in India.

## 6) CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management. This Code has been posted on the Company's Website [www.bhorukaaluminium.com](http://www.bhorukaaluminium.com)

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2007-08.

## 7) GENERAL BODY MEETINGS

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

Financial year	Date & Time	Venue	No. of special resolutions passed
2004-05	14 <sup>th</sup> September, 2005 at 11.45 A M	Registered Office	-Nil-
2005-06	16 <sup>th</sup> September, 2006 at 11.30 A M	Registered Office	-Nil-
2006-07	18 <sup>th</sup> September, 2007 at 11.45 A M	Registered Office	One

No special resolution on matters requiring postal ballot is placed for shareholders approval at this meeting.

## 8) DISCLOSURES

- (i) There are no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, Directors of the management, their subsidiaries, relatives etc., that would have potential conflict with the interest of the Company at large. However, disclosures as required under Accounting Standard 18 are provided in the notes on accounts.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the period under review.

### Internal Audit functions and Statutory Compliance:

- (iii) Internal Audit functions of the Company have been carried out by a firm of Chartered Accountants. The Reports of the Internal Auditors' on the operations and financial transactions

and the action taken thereon by the management in the form of report are being duly submitted regularly to the Audit Committee of the Board of Directors.

For every quarter, the CEO makes report on Statutory Compliances which are placed before the Audit Committee and the Board Meeting.

(iv) **CEO / CFO Certification**

The Managing Director and CEO have certified to the Board in accordance with Clause 49 (v) of the Listing Agreement and also as amended, for the Financial Year ended March 31, 2008.

**9) MEANS OF COMMUNICATION**

Company's Unaudited Financial Results are sent to the Stock Exchange immediately after they are approved by the Board. These Un-audited Financial Results for three quarters and Audited Financial results for the fourth quarter were published in News Papers in English and in regional language i.e. Business Line and Sanjevani respectively. The same has been posted on the Company's website [www.bhorukaaluminium.com](http://www.bhorukaaluminium.com).

The Management Discussion and Analysis is provided elsewhere in this Annual Report.

**10) GENERAL INFORMATION TO SHAREHOLDERS**

(a) **Compliance of Insider Trading Norms**

The Company has adopted the code of internal procedures and conduct for listed Companies notified by 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 Twenty Eighth Annual General Meeting of the Company will be held on Monday the 21<sup>st</sup> July, 2008 at 11.45 A.M at # 1, KRS Road, Metagalli, Mysore – 570 016.

(c) **Financial Calendar 2008-09 ( Tentative)**

Financial Year: April 1 to March 31

First quarter results	:	By the end of July, 2008
Second Quarter results	:	By the end of October, 2008
Third Quarter results	:	By the end of January, 2009
Fourth Quarter results	:	By the end of April, 2009
Annual results for year the ending 31 <sup>st</sup> March, 2009	:	By the end of May, 2009
Annual General Meeting for the year 2008-09	:	By the end of June, 2009

(d) **Date of Book Closure:**

Saturday, the 12<sup>th</sup> July, 2008 to Monday, the 21<sup>st</sup> July, 2008 (both days inclusive).

(e) **Dividend payment:**

On or before 19<sup>th</sup> August, 2008.

**(f) Listing of Securities:**

Company shares are listed and traded with Bombay Stock Exchange Limited (BSE). Annual Listing Fees for the year 2008-09 has been paid to the Stock Exchange. Custodian fees for both the depositories have been paid for the financial year 2008-09.

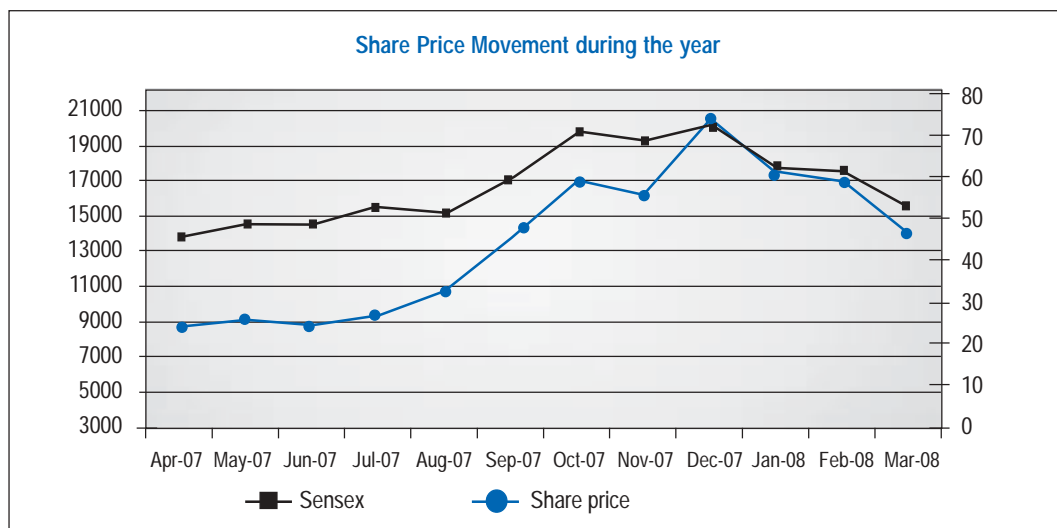
**Script Code: BSE: 506027**

**Company's ISIN number is INE866G01013**

**(g) Stock Prices Data**

The details of monthly High & Low quotations on Bombay Stock Exchange Limited during the financial year 2007-2008 are as under:-

Year 2007-08	Quotation(Rs )	
	High	Low
April 2007	28.00	22.20
May 2007	30.30	23 00
June 2007	25.00	19.75
July 2007	31.85	23.55
August 2007	37.80	27.45
September 2007	51.05	32.35
October 2007	59.10	39.70
November 2007	66.20	52.00
December 2007	74.15	53.85
January 2008	<b>106 50</b>	61.20
February 2008	75.80	55.60
March 2008	58.50	40.55



### (i) Distribution of Shareholding

The shareholding distribution of equity shares as on 31<sup>st</sup> March 2008:

Shares Holding Range(s)		Folios		Equity Shares Held	
From	To	Number	Percentage	Number	Percentage
1	500	4352	95.04	4,36,602	9.63
501	1,000	93	2.03	77,824	1.72
1,001	2,000	54	1.18	87,077	1.92
2,001	3,000	18	0.39	47,016	1.04
3,001	4,000	9	0.02	32,017	0.71
4,001	5,000	9	0.02	43,251	0.95
5,001	10,000	15	0.33	1,28,515	2.83
Above 10,001		29	0.63	36,83,598	81.21
<b>Total</b>		<b>4,579</b>	<b>100.00</b>	<b>45,35,900</b>	<b>100.00</b>

### (j) Shareholding Pattern as on 31<sup>st</sup> March 2008

Particulars	Folios	Percentage	Equity Shares	
			Number	Percentage
Promoters/Relatives	10	0.22	26,55,214	58.54
Resident Individual	4,463	97.47	10,56,958	23.30
Non-Resident Individuals	-	-	-	-
Bodies Corporate	70	1.53	646,268	14.25
Overseas Corporate Bodies	-	-	-	-
Foreign Institutional Investors	-	-	-	-
Nationalized Banks	-	-	-	-
Public Financial Institutions	1	0.02	150,000	3.31
Mutual Fund	1	0.02	1,900	0.04
Non Nationalized Bank	-	-	-	-
HUF	25	0.54	20,423	0.45
Clearing Members	9	0.20	5,137	0.11
<b>Total</b>	<b>4,579</b>	<b>100.00</b>	<b>45,35,900</b>	<b>100.00</b>

### (k) Dematerialisation of shares

Trading in Equity Shares is permitted only in dematerialized form as per notification issued by SEBI.

Our Company's shares have been dematerialized. Company has appointed M/s Karvy Computershare Private Limited, 17-24 Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, as Registrars and Share Transfer Agents (RTA) for effecting physical share transfers, transmission, etc and for approval for demat of shares. Members desirous of converting their physical shares into demat are requested to send their share certificates to Share Transfer Agents M/s. Karvy Computershare Pvt Limited at the above address through their Depository Participants (DPs).

Over 67.9% of our Company's shares have been dematerialized as on 31<sup>st</sup> March, 2008.

Shares received for physical transfers are generally registered within a period of 10 - 12 days from the date of receipt of the valid and duly completed transfer deeds.

**(l) There are no outstanding GDRs/ADRs**

(m) In respect of transfer of physical shares, Shareholders are advised to contact either Compliance Officer Boruka Aluminium Limited # 1, KRS Road, Metagalli, Mysore - 570 016 or Registrars and Share Transfer Agents (RTA) M/s Karvy Computershare Private Limited, 17-244, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081, Andhra Pradesh Telephone: 040-23420815-28.

**(n) Plant Location & Registered Office**

**Works and Registered Office:** Boruka Aluminium Limited, # 1, K R S Road, Metagalli, Mysore – 570 016, Karnataka, India Phone No (0821) 2582116 and 2582982.

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

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

## **DECLARATIONS:**

### **Compliance with Code of Business Conduct and Ethics**

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2007-08.

For **Bhoruka Aluminium Limited**

Place: Bangalore  
Date: 3<sup>rd</sup> June, 2008

**R.K.Aggarwal**  
Managing Director

### **CEO/CFO CERTIFICATION**

As required by sub clause V of Clause 49 of the Listing Agreement entered with the Stock Exchange, we have certified to the Board that for the financial year ended 31<sup>st</sup> March, 2008, the Company has complied with the requirements of the said sub-clause.

For **Bhoruka Aluminium Limited**

Place: Bangalore  
Date: 3<sup>rd</sup> June, 2008

**R.K.Aggarwal**  
Managing Director

**R.K.Jain**  
Chief Executive Officer

## AUDITORS' REPORT TO THE MEMBERS

1. We have audited the attached Balance sheet of M/s. **BHORUKA ALUMINIUM LIMITED** as at March 31, 2008, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we annexe hereto a statement on the matter specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books and proper returns adequate for the purpose of our audit have been received from branches of the Company, not visited by us;
  - (c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report, comply with applicable Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - (e) on the basis of written representations received from the directors, as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2008 from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

(f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

(ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date;  
and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Bangalore  
Date : 3<sup>rd</sup> June, 2008

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



## **ANNEXURE TO AUDITORS' REPORT**

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.  
(c) There was no disposal of substantial part of its fixed assets during the year.
2. (a) Physical verification of inventory has been conducted by the management at reasonable intervals.  
(b) The procedure for Physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.  
(c) The Company has maintained proper records of inventory and no major discrepancies were noticed on physical verification.
3. In our opinion and according to the information and explanations given to us, the Company has not taken or granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, we have not come across any major weakness in the internal control system nor we have been informed of any such instance.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:  
(a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered into the register maintained under Section 301 have been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions with parties exceeding the value of Rupees five 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. In our opinion and according to information and explanations given to us, the Company has not accepted any fixed deposits from the public, under Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed records have been made and maintained. We have not, however, made a detailed examination of the same.

9. According to the records of the Company, it has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Custom Duty, Excise Duty, Service-tax, Cess and other statutory dues, wherever applicable, during the year with the appropriate authorities, and there are no arrears of outstanding statutory dues as on that date, for a period of more than six months from the date they became payable.
10. The Company does not have any accumulated losses at the end of the financial year, and does not incurred cash losses during the financial year and in the immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of securities by way of pledge of shares, debentures and other securities.
13. The nature of Company's activities during the year is such that clauses (xiii) and (xiv) of paragraph 4 of Companies (Auditors' Report) Order, 2003 are not applicable to the Company for the year.
14. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
15. Based on our audit procedures and information and explanation given by management, the Company has used the term-loan for the purpose for which the same has been obtained.
16. On the basis of information and explanations given to us and on an overall examination of the Balance Sheet and the Cash Flow Statement of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
17. The Company has not made any preferential allotment of shares during the year.
18. The Company has not issued any debentures during the year.
19. The Company has not raised any money by the public issue during the year.
20. Based upon the audit procedures performed and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**M. Gandhi**  
Partner.

Membership No. 22958

Place: Bangalore  
Date : 3<sup>rd</sup> June, 2008

**BALANCE SHEET AS AT 31st MARCH 2008**

	Schedule No.	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Capital	01	45,416,500	45,416,500
Reserves & Surplus	02	56,387,305	17,523,678
		<u>101,803,805</u>	<u>62,940,178</u>
<b>Loan Funds</b>			
Secured loans	03	251,766,358	241,471,955
Unsecured loans	04	92,175,980	27,296,048
		<u>343,942,338</u>	<u>268,768,003</u>
<b>Deferred Tax Liability</b>		<u>14,812,895</u>	<u>11,550,877</u>
<b>TOTAL</b>		<u>460,559,038</u>	<u>343,259,058</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>			
Gross block	05	321,240,584	258,572,326
Less: Depreciation		<u>111,633,694</u>	<u>99,302,397</u>
		209,606,890	159,269,929
Capital Work in Progress		<u>25,230,523</u>	<u>4,332,732</u>
		<u>234,837,413</u>	<u>163,602,661</u>
<b>Investments</b>	06	10,963,800	10,963,800
<b>Current Assets, Loans and Advances</b>			
Inventories	07	248,922,721	207,014,480
Sundry debtors	08	153,171,125	111,993,273
Cash and bank balances	09	24,382,374	23,293,715
Loans and advances	10	27,037,126	46,281,118
		<u>453,513,346</u>	<u>388,582,586</u>
<b>Less: Current Liabilities and Provisions</b>			
Liabilities	11	210,332,716	200,231,115
Provisions	12	28,422,805	19,658,874
		<u>238,755,521</u>	<u>219,889,989</u>
Net Current Assets		<u>214,757,825</u>	<u>168,692,597</u>
<b>TOTAL</b>		<u>460,559,038</u>	<u>343,259,058</u>
Notes on Accounts	19		

Schedule 01 to 12 and Schedule 19 referred to above form an integral part of the Balance Sheet.

In terms of our report of even date

For and on behalf of the Board

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

Chartered Accountants

**R.K. Jain**  
CEO

**M.Sreenivasa Rao**

**R.K. Aggarwal**

**Rajat Agarwal**

**M.K.Panduranga Setty**

**Dr. B.L. Amla**

Chairman

Managing Director

Executive Director

Director

Director

**M. Gandhi**

Partner.

Membership No: 22958

Bangalore, 3rd June, 2008

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008**

	Schedule No.	As at 31st March 2008 Rs.	As at 31st March 2007 Rs.
<b>INCOME</b>			
Sales		<b>1,679,072,003</b>	1,337,734,276
Less: Excise Duty		<b>194,324,057</b>	179,052,467
Net Sales		<b>1,484,747,946</b>	1,158,681,809
Miscellaneous income	13	<b>2,469,910</b>	5,820,548
Increase/(Decrease) in Stock	14	<b>31,172,321</b>	(99,586)
<b>TOTAL</b>		<b>1,518,390,177</b>	1,164,402,771
<b>EXPENDITURE</b>			
Materials consumed		<b>1,036,340,790</b>	856,303,323
Purchase of Traded Goods		<b>20,003,560</b>	-
Manufacturing expenses	15	<b>156,697,721</b>	114,569,632
Personnel expenses	16	<b>72,232,054</b>	45,686,523
Selling & Administrative expenses	17	<b>62,300,659</b>	48,013,809
Finance charges	18	<b>87,787,137</b>	61,751,490
Depreciation		<b>12,680,575</b>	7,555,810
<b>TOTAL</b>		<b>1,448,042,496</b>	1,133,880,587
<b>Profit before Tax</b>		<b>70,347,681</b>	30,522,184
Provision for Tax - Current		<b>20,384,400</b>	4,299,121
- Deferred		<b>3,262,018</b>	4,538,835
- Fringe Benefit Tax		<b>1,469,505</b>	242,035
<b>Profit after Tax</b>		<b>45,231,758</b>	21,442,193
Balance brought forward from previous year		<b>16,023,678</b>	(5,418,515)
<b>Balance Available for Appropriation</b>		<b>61,255,436</b>	16,023,678
<b>APPROPRIATIONS</b>			
Proposed Dividend		<b>5,443,080</b>	-
Tax on Dividend		<b>925,051</b>	-
General Reserve		<b>20,000,000</b>	-
Balance carried to Balance sheet		<b>34,887,305</b>	16,023,678
<b>Basic/Diluted EPS</b> (refer note 6 of Schedule 19)		<b>9.97</b>	4.73
Notes on Accounts	19		

Schedule 13 to 18 and Schedule 19 referred to above form an integral part of the Profit and Loss Account

In terms of our report of even date

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

Chartered Accountants

**R.K. Jain**  
CEO

**M. Gandhi**

Partner.

Membership No: 22958

Bangalore, 3rd June, 2008

For and on behalf of the Board

**M.Sreenivasa Rao**

**R.K. Aggarwal**

**Rajat Agarwal**

**M.K.Panduranga Setty**

**Dr. B.L. Amla**

Chairman

Managing Director

Executive Director

Director

Director

## SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rs.	31st March 2007 Rs.
<b>1. SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
1,47,50,000 (Previous year 77,50,000) Equity Shares of RS.10/- each	<b>147,500,000</b>	77,500,000
2,50,000 un-classified share of RS.10/- each	<b>2,500,000</b>	2,500,000
	<b>150,000,000</b>	80,000,000
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
45,35,900 Equity shares of Rs. 10/- each fully paid-up	<b>45,359,000</b>	45,359,000
Add: Amount paid on shares forfeited	<b>57,500</b>	57,500
	<b>45,416,500</b>	45,416,500
<b>2. RESERVES &amp; SURPLUS</b>		
Central subsidy	<b>1,500,000</b>	1,500,000
General Reserve	-	-
Amount transferred from Profit and Loss Account	<b>20,000,000</b>	-
Profit & Loss Account - balance	<b>34,887,305</b>	16,023,678
	<b>56,387,305</b>	17,523,678
<b>3. SECURED LOANS</b>		
<b>Term Loans</b>		
From Banks		
Secured by first charge on all movable and immovable assets, both present and future, of the Company.	<b>72,672,021</b>	53,335,631
Secured by hypothecation of Vehicles acquired under hire purchase agreements	<b>9,424,251</b>	5,104,994
From Others	-	7,500,000
Secured by first charge on all movable and immovable assets, of the Company (Repayable within one year Rs.2,44,00,066 Previous year Rs. 3,10,79,761)		
<b>Working Capital Loans from Banks</b>	<b>169,670,086</b>	175,531,330
(Including foreign currency loan of Rs 10,22,31,250 Previous year Rs.9,22,20,000)		
Secured by 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 a third party		
	<b>251,766,358</b>	241,471,955
<b>4. UNSECURED LOANS</b>		
Karnataka State Development Loan	<b>923,000</b>	923,000
Others	<b>91,252,980</b>	26,373,048
	<b>92,175,980</b>	27,296,048

## 5. FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block		
	As at 01.04.2007 Rs.	Additions Rs.	Deletions Rs.	Balance as 31.03.2008 Rs.	Up to 01.04.2007 Rs.	For the year Rs.	Adjustment on deductions Rs.	Balance as at 31.03.2008 Rs.	At 31.03.2007 Rs.
Land - Freehold	916,423	-	-	916,423	-	-	-	-	916,423
Building	65,803,786	19,322,270	-	85,126,056	15,698,938	2,322,886	-	18,021,824	67,104,232
Plant & Machinery	157,858,677	22,353,075	260,000	179,951,752	69,141,527	6,359,061	120,771	75,379,817	104,571,935
Electrical installations	12,472,984	3,206,256	-	15,679,240	7,518,610	783,792	-	8,302,402	7,376,838
Office Equipments	8,686,845	10,333,973	-	19,020,818	3,356,161	1,773,787	-	5,129,948	13,890,870
Furniture & fixtures	3,110,559	697,490	-	3,808,049	1,541,731	179,273	-	1,721,004	2,087,045
Motor vehicles	9,723,052	8,247,738	1,232,544	16,738,246	2,045,430	1,261,776	228,507	3,078,699	13,659,547
	<b>258,572,326</b>	<b>64,160,802</b>	<b>1,492,544</b>	<b>321,240,584</b>	<b>99,302,397</b>	<b>12,680,575</b>	<b>349,278</b>	<b>111,633,694</b>	<b>209,606,890</b>
Previous Year	170,708,936	90,253,135	2,389,744	258,572,327	92,986,735	7,555,810	1,240,148	99,302,397	-
Capital Work-in-Progress									25,230,523
<b>Total</b>									<b>234,837,413</b>
									<b>159,269,929</b>
									<b>159,269,929</b>
									<b>4,332,732</b>
									<b>163,602,661</b>

## SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rs.	31st March 2007 Rs.
<b>6. INVESTMENTS (at cost)</b>		
LONG TERM INVESTMENTS-Non-Trade		
Government Securities - Unquoted		
National Savings Certificates / Indira Vikas Patras		
Deposited with Sales Tax & Excise Departments	11,300	11,300
QUOTED		
Fully paid Equity Shares of Joint Stock Companies (All pledged with the Bank)		
51250 TCI Industries Ltd	8,712,500	8,712,500
75500 TCI Finance Ltd	2,240,000	2,240,000
	<b>10,963,800</b>	<b>10,963,800</b>
Market Value of quoted Investments	<b>120,359,088</b>	<b>56,234,250</b>
<b>7. INVENTORIES:</b>		
<b>(As taken valued and certified by the management)</b>		
AT LOWER OF COST AND NET REALISABLE VALUE		
Finished goods	28,516,195	37,310,834
Goods at bonded warehouse	20,003,560	-
Raw materials	48,587,210	45,329,385
Work in progress	77,656,575	57,693,175
Stores, spares & consumables	74,159,181	66,681,086
	<b>248,922,721</b>	<b>207,014,480</b>
<b>8. SUNDRY DEBTORS</b>		
(Unsecured - considered good)		
Outstanding for more than six months	1,231,953	2,789,128
Others	151,939,172	109,204,145
	<b>153,171,125</b>	<b>111,993,273</b>
<b>9. CASH AND BANK BALANCES</b>		
Cash in hand	1,057,634	539,314
Balances with Scheduled banks		
- In Current accounts	774,740	454,401
- In Deposit accounts	22,550,000	22,300,000
	<b>24,382,374</b>	<b>23,293,715</b>
<b>10. LOANS AND ADVANCES</b>		
(Unsecured - considered good)		
Advances recoverable in cash or in kind or for value to be received	15,754,537	40,838,373
Deposits	11,282,589	5,442,745
	<b>27,037,126</b>	<b>46,281,118</b>
<b>11. CURRENT LIABILITIES</b>		
Sundry creditors	209,653,173	196,040,135
Sundry deposits	679,543	4,190,980
	<b>210,332,716</b>	<b>200,231,115</b>





## SCHEDULES TO THE ACCOUNTS

	31st March 2008 Rs.	31st March 2007 Rs.
<b>17. SELLING AND ADMINISTRATIVE EXPENSES</b>		
Freight outward	<b>3,419,087</b>	7,664,257
Packing charges	<b>14,148,407</b>	10,336,724
Sales Tax and Octroi	<b>8,333,009</b>	12,376,736
Sales Promotion & Advertisement	<b>1,182,860</b>	133,308
Royalty	-	429,864
Discount & commission	<b>4,103,639</b>	2,000,349
Rent	<b>1,138,195</b>	647,760
Rates and taxes	<b>889,663</b>	452,440
Repairs & Maintenance Others	<b>2,016,914</b>	597,807
Telephone charges	<b>1,820,437</b>	1,382,982
Printing and stationery	<b>1,476,387</b>	757,907
Insurance	<b>1,826,644</b>	781,434
Legal and consultancy charges	<b>2,758,966</b>	148,560
Travelling & conveyance expenses	<b>12,403,100</b>	6,229,906
Directors' Remuneration		
Salaries & Allowance	<b>3,387,635</b>	1,047,605
Fees	<b>74,000</b>	64,000
Auditors' Remuneration	<b>75,000</b>	25,000
Miscellaneous expenditure	<b>2,304,383</b>	1,985,352
Loss on Sale of Fixed Assets	<b>942,333</b>	951,818
	<b>62,300,659</b>	<b>48,013,809</b>
<b>18. FINANCE CHARGES</b>		
Fixed loans	<b>10,337,079</b>	3,464,097
Other loans	<b>72,215,507</b>	44,138,305
Other charges	<b>7,229,145</b>	15,521,100
	<b>89,781,731</b>	63,123,502
Less: Interest received	<b>1,994,594</b>	1,372,012
(Tax at source Rs. 406453, Previous year Rs. 260380)	<b>87,787,137</b>	<b>61,751,490</b>

## **19. NOTES ON ACCOUNTS**

### **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 of 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 realisable value inclusive of excise duty as recommended under Accounting Standard (AS-2). Work-in-progress 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 liability 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.

#### **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 Lakhs)

Particulars	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
Estimated amount of contracts remaining to be executed on capital account	896.63	147.84
- Bills discounted with Banks	2004.48	2060.55
- Bank Guarantees outstanding	58.49	47.42
- R.O.R	212.10	212.10
- Service tax under dispute	0.65	-

## 3. DIRECTORS' REMUNERATION:

(Rupees)

Particulars	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
Salary & Allowances	2,310,000	600,000
Money value of Perquisites	1,077,635	447,605
Contribution to Provident & other Funds	234,000	72,000

## 4. SEGMENT INFORMATION:

The operation of the company is primarily engaged in the business of manufacturing, processing and dealing in Aluminium Extrusions. Since all the activities are governed by the same set of risk and returns, these have been grouped as a single segment. In view of this the segment reporting prescribed under Accounting Standard – 17 is not applicable to the company.

## 5. RELATED PARTIES DISCLOSURES:

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

### Key Management Personnel:

Shri R K Aggarwal

Managing Director

Shri Rajat Agarwal

Executive Director

Associates

Bhoruka Agro Greens Limited

Transactions with related parties : Provided else where in the report.

**6. EARNINGS PER SHARE:**

Particulars	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
No. of equity shares outstanding (Nos in lakhs)	45.359	45.359
Net profit after tax available for equity shareholders (Rs. In lakhs)	452.31	214.42
Basic earning per share of Rs. 10/- each	9.97	4.72
Diluted earning per share of Rs. 10/- each	9.97	4.72

**7. AUDITORS' REMUNERATION:**

(In Rupees)

Particulars	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
Audit fees	60,000	20,000
Tax Audit fees	15,000	5,000

8. 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.

9. Adequate provisions as required by Accounting Standard 15 employees benefits have been made and no further liability on this account is envisaged.

**10. HIRE PURCHASE:**

Motor vehicle purchased on non-cancelable hire purchase basis:

(In Rupees)

Particulars	31 <sup>st</sup> March, 2008	31 <sup>st</sup> March, 2007
Hire purchase expenditure included in Profit and Loss account	766,322	476,227
Total minimum installments for fixed and non-cancelable term as at year ended	11,569,177	6,866,503
Not later than one year	3,241,764	1,860,372
More than one year less than five years	8,327,413	5,006,131

11. Previous year's Figures have been regrouped/restated wherever necessary to conform to current year's classification.

**Additional information pursuant to the provision of paragraph 3 & 4 of part II of Schedule VI**

Particulars	March 31, 2008		March 31, 2007	
	Quantity MT	Amount Rs.	Quantity MT	Amount Rs.
<b>Capacity and production</b>				
<b>Class of goods</b> : Aluminium Extrusions				
<b>Installed capacity</b>	<b>8,500</b>		6,500	
<b>Production</b>	<b>8,361</b>		6,419	
Job work	<b>18</b>		86	
Purchases	<b>160</b>	<b>20,003,560</b>		
<b>Sales - Finished Goods</b>	<b>8404</b>	<b>1,482,855,054</b>	6,426	1,156,685,837
- Scrap		<b>1,892,892</b>		1,995,972
<b>Stocks</b>				
Opening Stock	<b>174</b>	<b>37,310,834</b>	181	33,601,598
Closing Stock	<b>131</b>	<b>28,516,195</b>	174	37,310,834
Stocks at Bonded Warehouse	<b>160</b>	<b>20,003,560</b>	-	-
<b>Raw Material consumed</b>				
Aluminium ingots/billets/scrap	<b>8,532</b>	<b>1,001,920,904</b>	6,361	833,892,277
Alloy metals	<b>260</b>	<b>34,165,569</b>	173	22,298,471
Others		<b>254,317</b>		112,574
		<b>1,036,340,790</b>		856,303,322
<b>Value of imported and indigeneous raw materials and stores &amp; spares consumed</b>	<b>Value (Rs)</b>	<b>%</b>	<b>Value (Rs)</b>	<b>%</b>
Raw materials - Imported	<b>90,700,493</b>	<b>8.75%</b>	5,076,682	0.59%
- Indigenous	<b>945,640,297</b>	<b>91.25%</b>	851,226,640	99.41%
	<b>1,036,340,790</b>	<b>100.00%</b>	856,303,322	100.00%
Stores and spares parts				
- Imported	<b>12,246,832</b>	<b>20.16%</b>	3,098,358	7.06%
- Indigenous	<b>48,511,154</b>	<b>79.84%</b>	40,770,478	92.94%
	<b>60,757,986</b>	<b>100.00%</b>	43,868,836	100.00%

Particulars	March 31, 2008		March 31, 2007	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
<b>Value of Imports on CIF Basis</b>				
Raw materials	83,248,109		5,561,014	
Finished goods	20,003,560			
Capital Equipments	2,070,576			
Stores and spare parts	12,246,832		17,171,248	
	<b>117,569,077</b>		<b>22,732,262</b>	
<b>Expenditure in Foreign Currency</b>				
Travelling	5,339,623		1,953,586	
Commission on Export	-		420,312	
Others	1,476,356		1,723,213	
	<b>6,815,979</b>		<b>4,097,111</b>	
<b>Earning in Foreign Exchange</b>				
Export on FOB basis	17,967,131		40,900,064	
	<b>17,967,131</b>		<b>40,900,064</b>	

In terms of our report of even date

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

Chartered Accountants

**R.K. Jain**  
CEO

**M. Gandhi**

Partner.

Membership No: 22958

Bangalore, 3rd June, 2008

For and on behalf of the Board

**M.Sreenivasa Rao**

**R.K. Aggarwal**

**Rajat Agarwal**

**M.K.Panduranga Setty**

**Dr. B.L. Amla**

Chairman

Managing Director

Executive Director

Director

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2008**

(Rs. in lakh)

Particulars	March 31, 2008	March 31, 2007
<b>A. Cash flow from Operating activities</b>		
Net profit before Tax	<b>703.48</b>	305.22
Depreciation	<b>126.81</b>	75.56
Loss on Sale of Fixed Assets	<b>9.42</b>	9.52
Interest Payments	<b>897.82</b>	631.24
Interest Received	<b>(19.95)</b>	(13.72)
Operating profit before working capital changes	<b>1,717.58</b>	1,007.81
<b>Adjustments for:</b>		
Increase/Decrease in Trade and other receivables	<b>(411.78)</b>	(116.61)
Increase/Decrease in Trade Payables and other Liabilities	<b>124.97</b>	(115.37)
Increase/Decrease in Inventories	<b>(419.08)</b>	(61.91)
Loans and Advances	<b>192.44</b>	150.88
Tax Paid	<b>(218.54)</b>	(45.41)
<b>Net Cash from Operating Activities</b>	<b>985.59</b>	819.39
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	<b>(850.59)</b>	(927.88)
Sale of Fixed Assets	<b>2.01</b>	1.98
<b>Net cash used in Investing activities</b>	<b>(848.58)</b>	(925.90)
<b>C Cash flow from Financing Activities</b>		
Receipt/Repayment of Secured Loans	<b>102.94</b>	1,075.21
Receipt/Repayment of Unsecured Loans	<b>648.80</b>	(321.25)
Interest on Borrowings	<b>(877.87)</b>	(617.51)
<b>Net Cash from Financing Activities</b>	<b>(126.13)</b>	<b>136.45</b>
<b>Net Increase in Cash &amp; Cash Equivalent (A+B+C)</b>	<b>10.89</b>	<b>29.94</b>
Cash & Cash Equivalent - Opening Balance	<b>232.94</b>	203.00
Cash & Cash Equivalent - Closing Balance	<b>243.82</b>	232.94

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

In terms of our report of even date

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

Chartered Accountants

**R.K. Jain**  
 CEO

**M. Gandhi**  
 Partner.

Membership No: 22958

Bangalore, 3rd June, 2008

For and on behalf of the Board

**M.Sreenivasa Rao**
**R.K. Aggarwal**
**Rajat Agarwal**
**M.K.Panduranga Setty**
**Dr. B.L. Amla**

Chairman

Managing Director

Executive Director

Director

Director

**Information pursuant to Part IV of Schedule VI of the Companies Act, 1956.  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

**I Registration Details:**

Registration No.	<b>3442</b>	State Code.	<b>8</b>
Balance Sheet Date:	<b>31.03.2008</b>		

**II Capital raised during the year**

Public Issue	<b>Nil</b>	Bonus Issue	<b>Nil</b>
Rights Issue	<b>Nil</b>	Private Placement	<b>Nil</b>

**III Position of Mobilisation and Deployment of Funds:**

Total Liabilities	<b>460,559,038</b>	Total Assets	<b>460,559,038</b>
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**Sources of Funds:**

Paid up capital	<b>45,416,500</b>	Reserves & Surplus	<b>56,387,305</b>
Secured Loans	<b>251,766,358</b>	Unsecured Loans	<b>92,175,980</b>

**Application of Funds:**

Net Fixed Assets	<b>234,837,413</b>	Investments	<b>10,963,800</b>
Net Current Assets	<b>214,757,825</b>	Misc. Expenditure	<b>-</b>

**IV Performance of Company**

Total Income	<b>1,518,390,177</b>	Total Expenditure	<b>1,448,042,496</b>
Profit before tax	<b>70,347,681</b>	Profit after tax	<b>45,231,758</b>
Earning per share in Rupees	<b>9.97</b>	Dividend %	<b>12</b>

**V Generic Name of Principal Product (as per monetary terms)**

Product Description	Item Code No. (ITC)
<b>Aluminium Extrusions</b>	<b>7610.00</b>





## Bhoruka Aluminium Limited

Registered Office:  
# 1, K.R.S. Road, Metagalli, Mysore - 570 016

### PROXY FORM

I/We .....of .....  
being a Member/(s) of Bhoruka Aluminium Limited holding shares in Folio No./Client  
ID ..... hereby appoint ..... of  
..... or failing him ..... of  
.....as my/our proxy to attend and vote for me/us on my/our behalf  
at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company, to be held on Monday,  
July 21, 2008 at 11.45 a.m and at any adjournment thereof.

As witness my hand/or hands this ..... day of .....2008

Signed by the said .....

#### Note :

The Proxy Form must be deposited at the Registered Office of the Company at # 1 K.R.S. Road, Metagalli, Mysore-570 016, not less than forty-eight hours before the commencement of the meeting.



## Bhoruka Aluminium Limited

Registered Office:  
# 1, K.R.S. Road, Metagalli, Mysore - 570 016

### ATTENDANCE SLIP FOR 28TH ANNUAL GENERAL MEETING

Date: July 21, 2008, Time: 11.45 a.m. , Place: # 1, K.R.S. Road, Metagalli, Mysore - 570 016

Signature of the Shareholder / Proxy present

Folio No / Client ID.

Only Shareholders or their proxies will be allowed to attend the meeting.





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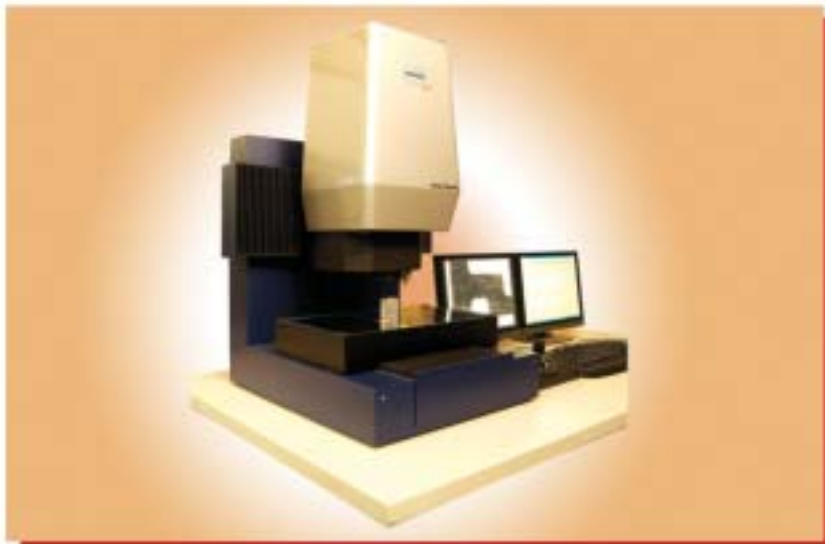


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BOOK-POST



*Registered Office & Works:*

**BHORUKA ALUMINIUM LIMITED**

# 1, K.R.S. Road, Metagalli, Mysore - 570 016

email: [info@bhorukaaluminium.com](mailto:info@bhorukaaluminium.com)

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