

**GOLKONDA ALUMINIUM EXTRUSIONS LIMITED**  
*(Formerly known as Alumeco India Extrusion Limited)*

28<sup>th</sup> Annual Report – 2016

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**BOARD OF DIRECTORS**

**Mr. Ashish Kumar Gupta**  
(DIN: 00061551) Chairman,  
Independent Director

**Mr. Hans Schweers**  
(DIN: 00318960)  
Non-Executive  
Promoter Director

**Mr. Anand Bharti**  
(DIN: 02469989)  
Whole Time Director

**Ms. Shruti Agarwal**  
(DIN: 07164871)  
Independent Woman Director

**Mr. Suresh Chandra Agarwal**  
(DIN: 07230587)  
Additional Independent Director  
(Till 11th March, 2016)

**Compliance Officer**  
Mr. Archit Agarwal

**Auditors**

Laxminiwas & Jain,  
Chartered Accountants,  
5-4-726, Station Road, Nampally,  
Hyderabad – 500 001

**BANKERS**

1. Axis Bank Limited,  
Kompally, Hyderabad
2. HSBC, Somajiguda, Hyderabad
3. State Bank of India,  
IFB, Somajiguda, Hyderabad
4. The Karur Vysya Bank Limited,  
R.P. Road, Secunderabad

**Registrar &****Share Transfer Agents**

XL Softech Systems Limited, 3,  
Sagar Society, Road No. 2,  
Banjara Hills, Hyderabad – 500 034.  
Phone Nos. 040 – 23545913,14,15

**Registered Office**

CIN: L74999AP1988PLC008966  
House No. 4-56/1, Kallakal Village,  
Toopran Mandal, Medak District,  
Telangana – 502 336.  
Ph. Nos. 08454–250191/250529,  
Fax Nos. 08454–250196/514

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## NOTICE TO SHAREHOLDERS :

Notice is hereby given that the Twenty Eighth Annual General Meeting of the Members of Golkonda Aluminium Extrusions Limited (Formerly known as Alumeco India Extrusion Limited) will be held on Monday, 19th December, 2016 at 11.30 a.m. at Sai Tanya Gardens Function Hall, Survey No. 490/E, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502336, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the 28th Directors' Report, Audited Balance Sheet as at 31st March, 2016, Audited Profit & Loss Account and Cash Flow Statement for the period ended on that date, and the report of the Auditors thereon.
2. To appoint a Director in place of Mr. Hans Schweers, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, relating to the appointment of the Auditors of the Company:

**"RESOLVED THAT** Laxminiwas & Jain, Chartered Accountants (Firm Registration No. 001859S) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and the Audit Committee / Board of Directors be and are hereby authorized to fix a suitable remuneration in consultation with the Auditors."

### SPECIAL BUSINESS

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 consent of the Shareholders be and are hereby accorded for the re-appointment of Mr. Anand Bharti (holding DIN 02469989), as Whole-time director of the Company with effect from 1st January 2017 for a period of one year i.e. till 31.12.2017 on the remuneration and terms and conditions as given below:

Particulars	(Rupees per month)
Basic Salary	19,250
House Rent Allowance	7,700
Conveyance Allowance	800
Education Allowance	200
Other Allowances	4,050
Medical Allowance	1,500
Leave Travel Allowance	1,500
<b>Total</b>	<b>35,000</b>

By Order of the Board

For Golkonda Aluminium Extrusions Limited

New Delhi  
14<sup>th</sup> November, 2016

Mr. Anand Bharti  
Whole Time Director  
DIN: 02469989

### Notes:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other person or shareholder.**

- 2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 3) Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- 4) Members who hold shares in dematerialized

form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio numbers in the attendance slip for attending the Meeting.

- 5) In case of Joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m., up to the date of the Meeting.
- 7) The Register of Members and Transfer Books of the Company shall remain closed from 17th December 2016 to 19th December 2016 (both days inclusive) for the purpose of Annual General Meeting.
- 8 Voting through electronic means:
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to the members to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting platform provided by CDSL.

The instructions for e-voting are as under:

- i. The voting period begins at 9 A.M. on 14/12/2016 and ends at 6 P.M. on 16/12/2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cutoff date, i.e. 11/11/2016 (End of Day) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii. Click on Shareholders.
- iv. Now enter your User-ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login
- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank Details field as mentioned in instruction (iv).</li> </ul>

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- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on these solutions contained in this notice.
- xi. Click on EVSN of GOLKONDA ALUMINIUM EXTRUSIONS LIMITED
- xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for Not- Individual shareholder and Custodian
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and custodian are required to log on to [www.evoting.com](http://www.evoting.com) and register themselves as corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding, you may refer the Frequently Asked Questions ("FAQ's") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- II. The Scrutinizer Mr. P. Venkat Narayana, Practicing Company Secretary (CP No. 7935), Hyderabad 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 a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- III. The results shall be declared on or before the AGM of the Company. The results along with the Scrutinizer's Report shall be placed on the Company's website <http://www.alumecoindia.com> and on the website of M/s. XL Softech Systems Limited. Within two (2) days of passing of the resolutions at the AGM of the Company and be communicated to the Stock Exchanges.
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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### ITEM NO.4:

The Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, at its meeting held on 14th November 2016, has subject to the approval of Members, appointed Mr. Anand Bharti as Whole Time Director for a period of one year ending on 31st December 2017 on the remuneration as set out in the resolution. The terms of his remuneration as set out in the resolution are considered to be fair, just and reasonable.

The above may be treated as an abstract of the terms of appointment of Mr. Anand Bharti under Section 203 of the Companies Act, 2013.

A brief resume of Mr. Anand Bharti as required in terms of SEBI (LODR) Regulations, 2015, in

enclosed with the Notice.

The Board recommends the Resolution set out in Item No 4 for your approval.

None of the Directors, except Mr. Anand Bharti, is concerned or interested in the resolution.

The following additional information as required by Schedule V of the Companies Act is given below:

#### 1. General information:

(i) *Nature of Industry:* Aluminum Industry. The main activity of the Company is manufacturing of Aluminum Extrusions.

(ii) *Date of Commencement:* 9th September 1988.

(iii) *Financial Performance (as in table below).*

(Rs. in million)

Particulars	31.03.2016*	30.06.2015	30.06.2014
Sales and other income	22.245	130.430	21.969
Profit before Tax and prior period items	(13.83)	111.50	(18.91)
Finance Charges	0.11	0.13	0.16
Depreciation	5.54	8.55	8.22
Prior period items	--	--	--
Profit after Tax	(13.83)	111.50	(18.91)

\* Comprises for 9 months period

(iv) *Export Performance:* The Company closed its production since July, 2013. Hence, there is no export during the current year.

(v) *Foreign Investment:* The Company is subsidiary of OSI India Holding A/S, Denmark, which holds 60.50% of its equity.

#### 2. Information about the managerial persons:

Mr. Anand Bharti – Director

(i) *Background details* - Mr. Anand Bharti, aged about 58 years is a graduate with more than 30 years of experience in Taxation and Legal matters.

(ii) *Past remuneration* -Rs. 35,000/- p.m. (CTC).

(iii) *Remuneration proposed* –Rs. 35,000/- p.m. (CTC) (effective from 1st January, 2017).

(iv) *Comparative Remunerative profile* - It is similar or lower than in equivalent firms.

(v) *Pecuniary relationship* - No pecuniary relationship except the remuneration received.

#### 3. Other Information:

(i) *Reasons of loss or inadequate profits* - Due to large unforeseen liabilities relating to Excise duty and Sales Tax arising primarily out of the previous promoters clandestine activities and exchange losses and bad domestic and global economic situation.

(ii) *Steps taken or proposed to be taken for improvement* –The management is in the process of evaluating available options for improvement.

(iii) *Expected increase in productivity and profitability* - The Management is hopeful that they will be able to improve the Company.

By Order of the Board  
For Golkonda Aluminium Extrusions Limited

New Delhi  
14<sup>th</sup> November 2016

Mr. Anand Bharti  
Whole Time Director  
DIN: 02469989

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## Additional Information

Brief Resume of the Directors proposed to be appointed / re – appointed as required in terms of SEBI (LODR) Regulations, 2015

Name	Mr. Hans Schweers	Mr. Anand Bharti
Date of Birth	24.01.1948	14.08.1959
Date of Appointment	21.06.2005	29.10.2013
Qualifications	Post Graduate in Management & Sales	Under Graduate
Expertise in specific functional area	International Trade & Business Management	More than 30 years of experience in Taxation and Legal matters
Directorship in other Companies	Nil*	Nil*
Memberships / Chairmanship of Committees across all Public Companies	Nil*	Nil*

\*Excludes Private and Foreign Companies.

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### DIRECTORS REPORT

Dear Members,

Your Directors' hereby present the Twenty Eighth

Annual Report on the business and operations of the Company, together with the Audited Statements of Accounts and the Auditors' Report for the period ended 31st March, 2016.

### Financial Highlights: Particulars

	Current year 2015 - 2016*	(Rs. Million) Previous year 2014 - 2015
Revenue from Operations	--	--
Other Income	22.25	130.43
Total Revenue	<u>22.25</u>	<u>130.43</u>
Profit/ (loss) before financial Expenses, Depreciation	(8.19)	102.82
Financial Expenses	0.11	0.13
Depreciation	5.54	8.55
Profit/ (Loss) before Tax	<u>(13.83)</u>	<u>111.50</u>
Profit/ (Loss) after Tax and prior period Adjustment	(13.83)	111.50

\*Current year comprises of 9 months.

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### Dividend:

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

### Results of Operations:

As already communicated to the shareholders during the previous annual general meetings, the operations of the Company are closed since July, 2013 due to financial crisis. The Company ceased to be Sick Industrial Company vide BIFR order no. MA. NO.135/BC/2015 dated 8th June,

2015 as the net worth turned positive as on 31st December 2014. The Company had obtained the shareholders' approval for sale of substantially the whole of assets by passing a special resolution through postal ballot on 17th March, 2016 as per the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013. Thereafter, the Company entered into an Asset Purchase Agreement (APA) with Sagar Asia

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Private Limited for the sale of Land & Building and other substantially whole of assets lying in the factory at Survey No. 379 to 382, Kallakal Village, ToopranMandal, Medak District, Telangana – 502336. Due to this event which has occurred after the balance sheet date, the Company ceases to have going concern assumption and, therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value on 31st March, 2016. Further, during the year, the Company has settled all the pending issues with the workmen by entering into mutual agreements and has paid all the amounts payable to workmen by 29th June, 2016.

**Extension of Annual General Meeting:**

For the reasons already mentioned under the heading 'Results of Operations', the Board felt that some more time will be required to conclude the above said matters and hold the Annual General Meeting smoothly. Hence, the Board requested the Registrar of Companies, Andhra Pradesh and Telangana for 3 months extension for conducting the AGM. The Registrar of Companies, Andhra Pradesh and Telangana has extended the time for holding meeting up to 31 December 2016 vide letter dated 11.08.2016.

**Directors:**

Mr. Hans Schweers, who has been longest in the office, will retire at the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

The Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee, at its meeting held on 14th November 2016, subject to the approval of Members, has appointed Mr. AnandBharti as Whole Time Director for a period of one year ending on 31st December 2017.

**Directors' Responsibility Statement:**

As required under Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have

been followed and there are no material departures from the same;

- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit or loss of the Company for that period:
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- (iv) The annual accounts have not been prepared on a going concern basis because the Company has sold Land & Building and other substantially whole of Assets.
- (v) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Auditors:**

M/s Laxminiwas & Jain, Chartered Accountants, Auditors of the Company, retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**Auditors' Qualifications and Management's Reply:**

**1. Matter of Emphasis**

- 1. *Note No. 2.24, the Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of substantially the whole assets of the Company on lump sum consideration of Rs. 84 millions on 26th May, 2016. Due to this event which has occurred after the balance sheet date, the Company ceases to have going concern assumption and therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value as on 31st March, 2016. Following adjustments to assets and liabilities are made:*
  - a. *increase in Fixed Assets amounting to Rs. 42,379,807 has been transferred to*



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*Revaluation Reserve ;*

- b. decrease in other assets amounting to Rs. 238,365 has been charged to profit and loss account ;*
- c. following liabilities have been written back and credited to profit and loss account:*
  - i. an amount of Rs.1,668,604 payable to creditors for which confirmations are awaited.*
  - ii. an amount of Rs.3,914,945 payable to customers for which confirmations are awaited.*
  - iii. an amount of Rs.105,903 payable to employees as per full and final settlements.*
  - iv. an amount of Rs. 3,015,288 towards provision of MAT.*

#### **Management Reply**

The Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of substantially the whole assets of the Company on lump sum consideration of Rs. 84 millions on 26th May, 2016, after obtaining necessary approvals from the shareholders'. Consequent to such sale, the Company ceases to have going concern assumption and therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value as on 31st March, 2016 in line with applicable accounting standards.

- 2. Note No. 2.25(h), the Company has settled all the pending issues with the workmen by entering into mutual agreements is in the process of filing an application before Hon'ble High Court of Telangana and Andhra Pradesh for withdrawal of case filed by it in connection with closure of unit.*

#### **Management Reply**

During the year, the Company has settled all the pending issues with the workmen by entering into mutual agreements with them. The Company has also paid all the amounts payable to workmen and therefore, there are no pending issues with any workmen, nor are any dues payable to any workmen.

#### **Cost Audit:**

As the production of the company is closed since July, 2013, the Company has not appointed the Cost Auditor for year 2015-2016.

#### **Secretarial Audit:**

As prescribed by Securities and Exchange Board of India (SEBI), a Practicing Company Secretary carries out Secretarial Audit at the end of every quarter, and the report is regularly submitted to the Bombay Stock Exchange.

However, as required under the Companies Act, 2013, the Company has appointed Mr. P.Venkata Narayana, Practicing Company Secretary, as Secretarial Auditor for the year 2015-2016 and his report is annexed to Directors Report as Annexure III.

#### **Declaration by independent directors :**

The Company has received declaration from independent directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### **Board evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, Independent Directors at their meeting held on 30th May, 2016 without the participation of the Non-independent Directors and Management, considered/evaluated the Boards' performance, Performance of the Chairman and other Non-independent Directors. SEBI (LODR) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

#### **Policy on directors' appointment and remuneration :**

The current policy is to have an appropriate combination of executive and independent directors to maintain the independence of the Board. As on 31st March 2016, the Board consists of 4 members, one of whom is Whole Time Director, one is promoter non-executive director and two are independent directors. The Board will annually evaluates the need for change in its composition and size. The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board. The remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration policy of the Company.

#### **Risk Management and Whistle blower Policy**

Pursuant to section 134(3)(n) of the Companies

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Act, 2013 and Section 177(9) of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015 the Company has to form a Risk Management and Whistle blower Policy respectively. However, as operations of the Company are closed since July 2013, it is not required to form any Risk Management and Whistle blower Policy.

**Number of meetings of the Board :**

The Board met four times during the financial year, the details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

**Public Deposits:**

The company has not accepted deposits from public as envisaged under Sections 73 to 76 of Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

**Corporate Governance:**

Report on Corporate Governance Pursuant to Regulation 34 read with Schedule-V of SEBI (LODR) Regulations, 2015, and Certificate on Compliance of Corporate Governance form part of this Report.

**Business Responsibility Report (BRR)**

Securities Exchange Board of India (SEBI) vide circular CIR/CFD/DIL/8/2012 dated August 13, 2012 has mandated the inclusion of BRR as part of the Annual Report for the top 100 listed entities. In view of the requirements specified, the company is not mandated for the providing the BRR and hence do not form part of this Report.

**Management Discussion and Analysis Report:**

Management Discussion and Analysis Report as stipulated under Regulation 34(3) read with Schedule-V of the SEBI (LODR) Regulations, 2015 is presented in a separate section in this Annual Report.

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**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :**

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

**(A) Conservation of Energy: N.A.**

- (i) the steps taken or impact on conservation of energy;
- (ii) the steps taken by the company for utilising alternate sources of energy;
- (iii) the capital investment on energy conservation equipments;

**(B) Technology absorption: N.A.**

- (i) the efforts made towards technology absorption; (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-
  - (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and (iv) the expenditure incurred on Research and Development.

**(C) Foreign exchange earnings and Outgo:**

The Company had no foreign exchange earnings and outgo during the financial year

**Whole Time Director and Finance Manager Certification:**

As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Whole Time Director and Finance Manager's Certification is at Annexure-I

**Material Changes and Commitments affecting the Financial Position of the Company**

The Company had obtained the shareholders' approval for sale of substantially the whole of assets by passing a special resolution through postal ballot on 17th March, 2016 as per the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013. Thereafter, the Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of these assets of the Company on lump sum consideration of Rs. 84 millions on 26th May, 2016.

**Change in Share Capital**

During the Financial Year 2015-16, there have been no changes in the Share Capital of the Company.

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**Subsidiary Companies**

The Company does not have any Subsidiary Company.

**Amount Transferred to Reserves**

In view of huge accumulated losses, no amount has been transferred to reserves for the Financial Year 2015-16.

**Statement in respect of adequacy of internal financial control with reference to the Financial Statements**

The company has adequate internal control procedures commensurate with the size, scale and complexity of its operations.

**Particulars of Loans, Guarantees or Investments under section 186**

As on 31st March, 2016 there were no outstanding loans or guarantees, investments made and securities provided as covered under the provisions of section 186 of the Companies Act, 2013.

**Contracts and Arrangements with Related Parties**

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of the business.

Your Directors draw attention of the Members to Note 2.27 of Notes on Accounts to the financial statement which sets out related party disclosures.

**Extract of Annual Return**

Extract of Annual Return of the Company in the prescribed form MGT-9 is annexed herewith as Annexure II to this Report.

**Particulars of Employees**

Information as per Rule 5(2) and (3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014- details furnished below:

Name of the Director / Employee	Anand Bharti
Designation	Whole Time Director
Remuneration received	4,20,000/- p.a.
Nature of employment, whether contractual or otherwise	Director
Qualifications and experience of the employee	Under Graduate
Date of commencement of employment	14/11/2013
The age of such employee	58 years
The last employment held by such employee before joining the company	NIL
The percentage of equity shares held by the employee in the company	NIL
Whether any such employee is a relative of any director	No

**Notes:**

1. There were no confirmed employees on the rolls of the Company as on 31st March 2016
2. Median remuneration of employees of the Company during the financial year 2014-2015 was NIL.

**The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013**

During the year under review, there was no employee, as the production of the Company is discontinued with effect from July, 2013. Therefore, the reporting requirements under the Sexual Harassment of Women at The Workplace (Prevention, Prohibition & Redressal) Act, 2013 is not applicable.

**Internal Audit:**

Since the production of the Company is closed since July 2013, Internal Audit is not carried out during the year.

**Listing of Securities:**

The Company is listed on the Bombay Stock Exchange and is regular in paying the annual listing fee to the Stock Exchange.

**Personnel:**

As the production of the Company is discontinued with effect from July, 2013, there are no workmen. Further, the Company has settled all the pending issues with the workmen by entering

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into mutual agreements with them and the Company has also paid all the amounts payable to workmen and, as on date of signing this report, there are no pending issues with any workmen nor are any dues payable to any workmen.

**Corporate Social Responsibility [CSR] – Not Applicable**

**Statement on Other Compliances**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- c. Issue of shares (including sweat equity shares) to employees of the Company.
- d. Neither the Managing Director nor any of the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries;
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals;

**Acknowledgments:**

The Directors acknowledge the support of the shareholders.

Date: 14<sup>th</sup> November 2016  
Place: New Delhi

For and on behalf of the Board of Directors  
Ashish Kumar Gupta  
Chairman , DIN: 00061551

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**Annexure I**

**Certificate from the Whole Time Director & Finance Manager**

**[As required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015]**

We, Anand Bharti, Whole Time Director and Archit Agarwal, Finance Manager of Golkonda Aluminium Extrusions Limited, certify that:

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

Date: 14<sup>th</sup> November 2016  
Place: New Delhi

Anand Bharti  
Whole Time Director, DIN: 02469989

Archit Agarwal  
Finance Manager

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**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 2015-16**  
**[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	<b>L74999AP1988PLC008966</b>
ii)	Registration Date	22/08/1988
iii)	Name of the Company	GOLKONDA ALUMINIUM EXTRUSIONS LIMITED
iv)	Category/Sub-Category of the Company	LISTED COMPANY
v)	Address of the Registered Office and	House No. 4-56/1, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502 336
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph. No. 040-23545913/14/15

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Aluminium Extrusions*	2720	NIL

Note:- The operations of the Company were closed since July, 2013.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**  
**[No. of Companies for which information is being filled]**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE
1	OSI India Holding A / S	N/A	Holding Company

**VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-June-2014]				No. of Shares held at the end of the year[As on 30-June-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	---	---	---	---	---	---	---	---	---
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt(s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	---	---	---	---	---	---	---	---	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
<b>Total (A)(1)</b>	---	---	---	---	---	---	---	---	---

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-June-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) Individual	---	---	---	---	---	---	---	---	---
b) Body Corporates	75,00,000	---	75,00,000	60.5	75,00,000	---	75,00,000	60.5	Nil
c) Any other	---	---	---	---	---	---	---	---	---
<b>Total (A)(2)</b>	75,00,000	---	75,00,000	60.5	75,00,000	---	75,00,000	60.5	Nil
<b>Total shareholding of Promoter (A)(1)+(A)(2)</b>	75,00,000	---	75,00,000	60.5	75,00,000	---	75,00,000	60.5	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	2,150	---	2,150	0.02	2,150	---	2,150	0.02	Nil
b) Banks / FI	---	---	---	---	---	---	---	---	---
c) Central Govt	---	---	---	---	---	---	---	---	---
d) State Govt(s)	---	---	---	---	---	---	---	---	---
e) Venture Capital Funds	---	---	---	---	---	---	---	---	---
f) Insurance Companies	---	---	---	---	---	---	---	---	---
g) FIIs	---	---	---	---	---	---	---	---	---
h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
i) Others (specify)	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(1):-</b>	2,150	---	2,150	0.02	2,150	---	2,150	0.02	Nil
<b>2. Non-Institutions</b>									
a) Bodies Corp.	5,67,462	73,750	6,41,212	5.17	4,34,724	73,750	5,08,474	4.10	(1.07)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1lakh	17,13,484	3,36,902	20,50,386	16.54	21,93,234	3,36,077	25,29,311	20.40	3.86
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	19,39,942	---	19,39,942	15.65	16,00,131	---	16,00,131	12.91	(2.74)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-June-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	---	---	---	---	---	---	---	---	---
Non Resident Indians	2,61,417	---	2,61,417	2.11	2,55,546	---	2,55,546	2.06	(0.05)
Overseas Corporate Bodies	---	---	---	---	---	---	---	---	---
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	2006	---	2006	0.02	1501	---	1501	0.01	(0.004)
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - D R	---	---	---	---	---	---	---	---	---
<b>Sub-total (B)(2):-</b>	44,84,311	4,10,652	48,94,963	39.48	44,85,136	4,09,827	48,94,963	39.48	0.00
Total Public Shareholding (B) = (B)(1)+ (B)(2)	44,86,461	4,10,652	48,97,113	39.50	44,87,286	4,09,827	48,97,113	39.50	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	1,19,86,461	4,10,652	1,23,97,113	100.00	1,19,87,286	4,09,827	1,23,97,113	100.00	0.00

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of theyear			% change In share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumb ered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumb ered to total shares	
1	OSI India Holding A/S	7500000	60.50	NIL	7500000	60.50	NIL	0.00

**(iii) Change in Promoters' Shareholding (please specify, if there is no change) – There is no change**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Increase/Decrease in share holding			Cumulative Shareholding during the Year	
		No. of Shares	% of total shares of the company	Date	No. of Shares	Reason	No. of Shares	% of total shares of the company
1	Dipak Kanayalal Shah	3,10,000	2.50	03/07/15	4,000	Purchase	3,14,000	2.53
				24/07/15	12,000	Purchase	3,26,000	2.63
				14/08/15	2,000	Purchase	3,28,000	2.65
				21/08/15	500	Purchase	3,28,500	2.65
				11/12/15	1,500	Purchase	3,30,000	2.66
				15/01/16	194	Purchase	3,30,194	2.66
				22/01/16	3,389	Purchase	3,33,583	2.69
				29/01/16	2,000	Purchase	3,35,583	2.71
				12/02/16	4,417	Purchase	3,40,000	2.74
				26/02/16	10,000	Purchase	3,50,000	2.82
2	Roshani Neetish Doshi	1,70,000	1.37	-	-	-	1,70,000	1.37
3	Sameer Shantilal Dedhia	1,22,208	0.99	-	-	-	1,22,208	0.99
4	Vara Lakshmi G	1,21,760	0.98	-	-	-	1,21,760	0.98
5	Neelima Karlapudi	1,03,368	0.83	-	-	-	1,03,368	0.83
6	Kewal Kumar Vohra	1,02,915	0.83	-	-	-	1,02,915	0.83
7	Jain Pal Jain	91,757	0.74	-	-	-	91,757	0.74
8	Adroit Fin Ser Pvt. Ltd.	81,712	0.66	30/10/15	(250)	Sale	81,462	0.66
				25/12/15	(13)	Sale	81,449	0.66
9	Sona Manoj Bagadia	79,000	0.64	-	-	-	79,000	0.64
10	S Rajyalakshmi	69,800	0.56	-	-	-	69,800	0.56

**(v). Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Ashish Kumar Gupta	5000	---	5000	---

**INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the year</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Indebtedness at the end of the financial year</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
iv) Principal Amount	Nil	Nil	Nil	Nil
v) Interest due but not paid	Nil	Nil	Nil	Nil
vi) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sl. No.	Particulars of Remuneration	Name of Whole Time Director	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under	<b>Mr. Anand Bharti</b> (DIN: 02469989) 3,15,000	3,15,000
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	. Commission - as % of profit - others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	3,15,000	3,15,000
	Ceiling as per the Act	Minimum Yearly Remuneration as per Schedule V Part IIA (ii) based on Effective Capital of the Company is Rs. 42.00 Lakhs	

**B. Remuneration to other Directors:**

	Name of Directors			Total Amount
Independent Directors	Mr. Ashish Kumar Gupta	Ms. Shruti Agarwal	Suresh C. Agarwal	
• Fee for attending board / committee meetings	1,00,000/-	90,000/-	40,000/-	2,30,000
• Commission	Nil	Nil	Nil	Nil
• Others, please specify	Nil	Nil	Nil	Nil
Total (1)	1,00,000/-	90,000/-	40,000/-	2,30,000/-
2. Other Non-Executive Directors				
• Fee for attending board / committee meetings	NA	NA	NA	NA
• Commission				
• Others, please specify				
Total (2)	NA	NA	NA	NA
Total (B)=(1+2)	1,00,000/-	90,000/-	40,000/-	2,30,000/-
Overall Ceiling as per the Act	Ceiling on Sitting Fees as prescribed under the Act is Rs.1,00,000/- per meeting.			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>B. DIRECTORS</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Date: 14<sup>th</sup> November 2016  
Place: New Delhi

For and on behalf of the Board of Directors  
Ashish Kumar Gupta  
Chairman  
DIN: 00061551

**ANNEXURE III  
FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,  
The Members  
Golkonda Aluminium Extrusions Limited  
(Formerly Known as Alumeco India Extrusion Limited)**

- 1) I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Golkonda Aluminium Extrusions Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- 2) I have examined the books, papers, minute books, forms and returns filed and other records maintained by Golkonda Aluminium Extrusions Limited ("The Company") for the year ended on 31st March, 2016 according to the provisions of:
- a) The Companies Act, 2013 (the Act) and the Rules made there under;
  - b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment.
  - e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company.
    - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009; [Not applicable during the Audit Period]
    - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable during the Audit Period].
    - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the Audit Period]
    - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period]
    - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the Audit Period]
    - (ix) The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited; and
- 3) As informed to me that no other Laws specifically applicable to the Company as the operations of the Company are closed since July, 2013.

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- 4) I have also examined compliance with the applicable clauses of the following:
    - a) Secretarial Standards issued by The Institute of Company Secretaries of India.
    - b) The Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited (BSE)
  - 5) During the Audit Period under review the Company has complied with the provisions of the Act, Rules, regulations, Guidelines, Standards, Listing Agreements etc. mentioned above.
  - 6) I further report that the Company to the extent of applicable, has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company.
  - 7) I further report that:
    - a) The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors & Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
    - b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (By Hand Delivery & Courier mode), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
    - c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
    - d) The Company has obtained all necessary approvals under the various provisions of the Act; and
    - e) There was no prosecution initiated and no fines (except for the additional fee paid by the Company for delay in filing of the necessary e Forms with the Ministry of Corporate Affairs) or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
  - 8) We have relied on the information and representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, and Regulations to the Company.
  - 9) I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.
  - 10) I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
  - 11) We further report that to align with the Section 2(41) of the Companies Act, 2013, the Company has decided to close its financial year on 31st March every year and the current financial year on 31st March 2016 by preparing the Financial Statements for a period of 9 months commencing from 1st July, 2015 to 31st March, 2016.
  - 12) We further report thatThe Company has obtained the shareholders' approval for sale of substantially the whole of assets by passing a special resolution through postal ballot on 17th March, 2016 as per the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013. Thereafter, the Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of these assets of the Company on lump sum consideration of Rs. 84 millions on 26th May, 2016.

Place : Hyderabad  
Date : 15th July 2016

CS P. VenkataNarayana  
Company Secretary in Practice  
ACS :21805  
COP No.: 7935

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

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**Annexure A**

To,  
The Members  
Golkonda Aluminium Extrusions Limited  
(Formerly Known as Alumeco India Extrusion Limited)

Our report of even date is to be read along with this letter.

- a. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- c. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- d. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad  
Date : 15th July 2016

CS P. VenkataNarayana  
Company Secretary in Practice  
ACS :21805  
COP No.: 7935

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## CORPORATE GOVERNANCE

### I. Company's Philosophy

We, at Golkonda Aluminium Extrusions Limited are committed to the concept of Corporate Governance as a means of effective internal control, fair and transparent decision making process and fullest support to the Board and the Management for enhancing customer satisfaction and shareholders' value.

### II. Board of Directors

The Board comprised four directors as on 31st March, 2016, headed by Chairman, an independent director. The Board formulates policy so as to lead and direct the Company. The directors bring with them rich and varied experience in different fields of corporate functioning.

The Board held Four meetings during the period ended on 31st March, 2016 i.e., on (i) 29th August, 2015, (ii) 14th November, 2015, (iii) 18th January, 2016 (iv) 13th February, 2016.

Attendance at the meetings of the Board and at the last Annual General Meeting was as follows:

Name of the Director	Category	No. of meetings held	No. of meetings attended	Last AGM attendance (Yes/ No)
Mr. Ashish Kumar Gupta	Chairman, Independent Director	4	4	YES
Mr. Anand Bharti	Whole Time Director	4	4	YES
Mr. Hans Schweers	Foreign Promoter (Non-Executive) Director	4	0	No
Ms. Shruti Agarwal	Independent Woman Director	4	3	No
Mr. Suresh Chandra Agarwal *	Independent Director	4	4	No

\* Mr. Suresh Chandra Agarwal was appointed as additional director on 22nd July, 2015 and ceased to be director on 11th March 2016 (consequent to his demise).

Number of other Board or Board Committees of which the Company's Directors' are Members as on 31st March, 2016:

Name of the Director	No. of outside directorships held		No. of other Board Committees * he/she is a member / chairperson	
	Public	Private	Member	Chairperson
Mr. Ashish Kumar Gupta	Nil	2	Nil	Nil
Mr. Hans Schweers	Nil	Nil	Nil	Nil
Mr. Anand Bharti	Nil	1	Nil	Nil
Ms. Shruti Agarwal	Nil	Nil	Nil	Nil

\* Viz., the Audit Committee, the Shareholders' Grievance Committee and the Remuneration / Compensation Committee. Only Indian Companies are considered.

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### III. Committees of the Board

#### 1. Audit Committee

Brief description of Terms of Reference

The Audit Committee of the Board is responsible for oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible; and for reviewing the annual financial statements before submission to the Board. The Committee periodically reviews the adequacy of internal control systems.

The Committee reviews the financial and risk management policies of the Company. The Committee has full access to financial data and to the Company's staff. The Committee also reviews the quarterly and annual financial statements before they are submitted to the Board. The Committee comprises of the following directors as on 31st March 2016:

Mr. Ashish Kumar Gupta	Chairman	Independent Director
Ms. Shruti Agarwal	Member	Independent Director
Mr. Anand Bharti	Member	Whole-time Director

The Committee held three meetings during the period ended 31st March, 2016, i.e., on (i) 29th August, 2015, (ii) 14th November, 2015 and (iii) 13th February, 2016.

#### 2. Stakeholders Relationship Committee.

The Committee comprises of the following directors as on 31st March 2016:

Mr. Ashish Kumar Gupta	Chairman	Independent Director
Ms. Shruti Agarwal	Member	Independent Director
Mr. Anand Bharti	Member	Whole-time Director

The Committee held three meetings during the period ended 31st March, 2016, i.e., on (i) 29th August, 2015, (ii) 14th November, 2015 and (iii) 13th February, 2016.

*The status of the complaints / requests received from the shareholders is as follows:*

Status of complaints / requests	Nos.
Pending as on 1st July, 2015	NIL
Received during the year	NIL
Resolved/Disposed of during year (9 months period)	NIL
Pending as on 31st March, 2016	NIL

#### 3. Remuneration Committee

The Committee comprises of following directors as on 31st March 2016 :

Mr. Ashish Kumar Gupta	Chairman	Independent Director
Ms. Shruti Agarwal	Member	Independent Director
Mr. Hans Schweers	Member	Non-executive Promoter Director

The Nomination and Remuneration Committee held one meeting during the period ended 31st March, 2016, i.e., on (i) 14th November, 2015. The Nomination and Remuneration Committee reviews the Remuneration for the Board level appointees and recommends it to the Board.

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**Directors' Remuneration:**

The Whole-time Director is remunerated as per their agreement with the Company. He did not get any sitting fee, which is paid only to Non-Executive Independent Directors. The total sitting fee for attending meetings of Board and its Committees, paid during the year was Rs.100,000/- to Mr. Ashish Kumar Gupta, Rs.90,000/- to Ms. Shruti Agarwal and Rs.40,000/- to Mr. Suresh Chandra Agarwal. Promoter Directors are not paid any sitting fee.

**Shareholding of Directors:** The shareholding of Director as on 31st March 2016 is as under:

Ashish Kumar Gupta - 5000 shares

**IV. General Body Meetings**

i) Location, date and time of last three Annual General Meetings:

Year	Location	Date	Time
2015	Registered Office and Works of the Company	30.03.2016	11.30 A.M.
2014	Registered Office and Works of the Company	30.03.2015	11.30 A.M.
2013	Registered Office and Works of the Company	23.12.2013	11.30 A.M.

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

**27th AGM:** i. Approval for Appointment of Mr. Anand Bharti, as Whole-time Director.

**26th AGM:** i. Change in Name of the Company from 'Alumeco India Extrusion Limited' to 'Golkonda Aluminium Extrusions Limited'. ii. Approval for Appointment of Mr. Anand Bharti, as Whole-time Director.

**25th AGM:** Approval for Appointment of Mr. Anand Bharti, as Whole-time Director.

**Management Discussion & Analysis Report:** It is separately published in this Report.

**V. Disclosures:**

- (i) As required by the Accounting Standard-18, details of related-party transactions are at point no. 2.27 of Notes on Accounts.
- (ii) The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI.
- (iii) No penalties were imposed or strictures passed against the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

**VI. Means of Communication:**

The Company's quarterly results are intimated to the Stock Exchange and to the Public. Generally the results are published in The Financial Express (National newspaper) and Nava Telangana (Regional newspapers). The quarterly results are displayed on the website of the company: [www.alumecoindia.com](http://www.alumecoindia.com)

**VII. General Shareholder Information**

- (i) *Annual General Meeting will be held on Monday, 19th December, 2016 at 11.30 a.m. at Sai Tanya Gardens Function Hall, Survey No. 490/E, Kallakal Village, Toopran Mandal, Medak District, Telangana - 502336.*
- (ii) *Financial Year of the Company is 1st July 2015 to 31st March 2016.*
- (iii) *Dates of Book Closure will be from 17th December 2016 to 19th December 2016 (Both days inclusive)*
- (iv) *Company's shares are listed on the Bombay Stock Exchange.*
- (v) *Stock Code of the Company's scrip is 513309.*
- (vi) *ISIN Code is INE327C01023.*
- (vii) *High & Low Market Price during each month in the accounting year was as follows:*



<b>Month(2015)</b>	<b>High</b>	<b>Low</b>	<b>Month(2016)</b>	<b>High</b>	<b>Low</b>
Jul-15	8.32	6.50	Jan-16	5.05	4.08
Aug-15	7.55	5.70	Feb-16	5.80	4.61
Sep-15	6.20	5.72	Mar-16	5.03	3.86
Oct-15	6.43	5.70			
Nov-15	6.00	4.41			
Dec-15	4.66	3.37			

(viii) Registrar & Share Transfer Agents of the Company is M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034, Ph. No. 040-23545913/14/15.

(ix) Share Transfer System: The Registrar and Share Transfer Agents, M/s XL Softech Systems Limited handle share transfers under the overall supervision of the Shareholders' Grievance Committee.

(x) Distribution of Shareholding as of 31st March, 2016 was as follows:

<b>Category</b>	<b>No. of Shares</b>	<b>% Holding</b>
a) Promoter and Promoter's Group - Foreign Body Corporate	7,500,000	60.50
i. Mutual Funds / UTI	2,150	0.02
ii. Bodies Corporate	508,474	4.10
iii. Non-Resident Indians / Overseas Bodies	255,546	2.06
iv. Clearing Members	1,501	0.01
v. Individuals	4,129,442	33.31
vi. <b>TOTAL</b>	<b>12,397,113</b>	<b>100.00</b>

(xi) *Dematerialization of Shares & Liquidity:* To facilitate trading in dematerialized form, the Company has entered into agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are traded on the Bombay Stock Exchange Limited. As on 31st March 2016, 97% shares were held in dematerialized form.

(xii) *Compliance Officer:* Mr. Archit Agarwal  
Ph. 99851-21834. e-mail:archit@alumecoinia.com

(xiii) *Address of correspondence:* House No. 4-56/1, Kallakal Village, Toopran Mandal, Medak District, Telangana-502336.

(xiv) *Investor Relations:* All queries received from shareholders during the accounting year 2015-16 were responded adequately and in time (no queries/complaints during the year).

(xv) *Nomination Facility:* Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding, as permitted under the Companies Act, Companies Act, 2013, are requested to submit their request in this regard to the Company's Share Transfer Agents M/s XL Softech Systems Limited, 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034. Nomination facility in respect of shares held in electronic form is also available with the Depository Participant (DP) as per the by-laws and business rules applicable to NSDL and CDSL.

(xvi) *Detail of Unclaimed Shares:* Pursuant to Clause 5A (II) of the Listing Agreement, the Company has to transfer all the physical share certificates lying with the Company to the Suspense Account and also to dematerialize the same.

Postal Return cases as per the records of the registrar were initially transferred to Suspense Account. A demat account under the name 'Alumeco India Extrusion Limited - Unclaimed Suspense Account' was opened by the company and the unclaimed shares in respect of 1263 shareholders for 107887 equity shares were transferred to the said account on 06-April-2013.

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Pursuant to Clause 5A of the Listing Agreement, the voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owner of such shares will claim the shares.

Particulars	No. of shareholders	No. of Equity Shares of Rs. 10 each
Aggregate number of Shareholders and the outstanding shares lying in the unclaimed suspense Account at the end of the year	1252	106887

#### **VIII. Compliance:**

In compliance with the terms of the Listing Agreement, a certificate from an Independent Practicing Company Secretary regarding compliance of the provisions of Regulation 27 of SEBI (LODR) Regulations, 2015 is annexed to this Report.

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#### **Declaration on Code of Conduct [As required under Regulation 34(3) of the SEBI (LODR) Regulations, 2015]**

This is to confirm that the Board has laid down a Code of Conduct for all Board members and senior management personnel of the Company. It is further confirmed that all directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March 2016, as envisaged in Regulation 34(3) of SEBI (LODR) Regulations, 2015.

Place: New Delhi  
Date: 14<sup>th</sup> November, 2016

Anand Bharti  
Whole-time Director  
DIN: 02469989

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### **Certificate on Compliance of Corporate Governance**

**To  
The Members of  
Golkonda Aluminium Extrusions Limited**

We have examined the compliance of conditions of Corporate Governance by Golkonda Aluminium Extrusions Limited for the period ended on 31st March, 2016, as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015 of the said Company with the Bombay Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015.

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

Place: Hyderabad  
Date: 15th July, 2016

P. Venkata Narayana  
Company Secretary in Practice  
CP No. 7935

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## **Management Discussion and Analysis Report:**

### **(A) Industry Structure :**

The Company does not have any aluminium manufacturing operations as the production is closed since July 2013. The Company had obtained the shareholders' approval for sale of substantially the whole of assets by passing a special resolution through postal ballot on 17th March, 2016 as per the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013. Thereafter, the Company entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of Land & Building and other substantially whole of assets lying in the factory at Survey No. 379 to 382, Kallakal Village, ToopranMandal, Medak District, Telangana – 502336. Due to this event which has occurred after the balance sheet date, the Company ceases to have going concern assumption and, therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value on 31st March, 2016. Depending on the future business plans of the company, the structure will be analysed. Currently, it does not apply.

### **(B) Risk, Concerns, Opportunities and Threats**

Same as above, and company is re-evaluating its business options.

### **(C) 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. The audit observations and corrective action taken thereon are periodically reviewed by the independent audit committee to ensure effectiveness of the internal control system.

### **(D) Financial and operational results**

As the Alumeco Group, Denmark took a commercial decision to stop extending the facility

of supplying raw material on credit to the Company, as was being done in the past. This decision, coupled with the accumulated losses in the company and the prevailing adverse business conditions further strained the financial position of the Company. The Company had stopped production in July 2013.

### **(E) Human Resource/Industrial Relations:**

As the production of the Company is discontinued with effect from July, 2013 there are no workmen. A closure application was filed before the Government of Andhra Pradesh for removal of workmen which got rejected and the Company has gone in appeal against it before the Hon'ble High Court of Andhra Pradesh. During the year, the Company has settled all the pending issues with the workmen by entering into mutual agreements with them. The Company has also paid all the amounts payable to workmen and, as on date of signing this report, there are no pending issues with any workmen nor are any dues payable to any workmen. Accordingly, the Company is in the process of filing an application before Hon'ble High Court of Andhra Pradesh for withdrawal of case filed by it in connection with closure of unit.

### **(F) Outlook :**

The Board of Directors and the Management of the Company are pursuing various available options to rehabilitate the Company and considering future business plans for the Company.

### **(G) Cautionary Statement :**

The statements in this section describe the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other incidental factors.

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## **INDEPENDENT AUDITORS' REPORT**

To

The Members of

Golkonda Aluminium Extrusions Limited  
(Formerly known as Alumeco India Extrusion Limited)

We have audited the accompanying financial statements of **Golkonda Aluminium Extrusions Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on

Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2016 ;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Emphasis of Matters**

We draw your attention to the following matters in the Notes to the financial Statements

1. Note No. 2.24, the Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of substantially the whole assets of the

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Company on lump sum consideration of Rs. 84 millions on 26th May, 2016. Due to this event which has occurred after the balance sheet date, the Company ceases to have going concern assumption and therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value as on 31st March, 2016. Following adjustments to assets and liabilities are made:

- a. increase in Fixed Assets amounting to Rs. 42,379,807 has been transferred to Revaluation Reserve ;
- b. decrease in other assets amounting to Rs. 238,365 has been charged to profit and loss account ;
- c. following liabilities have been written back and credited to profit and loss account:
  - i. an amount of Rs. 1,668,604 payable to creditors for which confirmations are awaited.
  - ii. an amount of Rs. 3,914,945 payable to customers for which confirmations are awaited.
  - iii. an amount of Rs. 105,903 payable to employees as per full and final settlements.
  - iv. an amount of Rs. 3,015,288 towards provision of MAT.
2. Note No. 2.25(h), the Company has settled all the pending issues with the workmen by entering into mutual agreements is in the process of filing an application before Hon'ble High Court of Telangana and Andhra Pradesh for withdrawal of case filed by it in connection with closure of unit.

Our opinion is not qualified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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 it 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- (e) on the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act ;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" ; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.25 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There is no amount required to be transferred to the Investor Education and Protection Fund as Company has not declared any dividend.

For **Laxminiwas & Jain**

Chartered Accountants

Firm's Registration No. 001859 S

Place : Hyderabad  
Date : 15 July 2016

**Laxminiwas Sharma**  
Partner

Membership No. 014244

## Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that :

- (i) a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- b. All the assets have not been physically verified by the Management during the year but there is a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However since the production is closed since July 2013 and it is unlikely to do the physical verification on a regular interval. Further company has entered into an agreement for sale substantially whole of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) There is no inventory except for stores and spares items which are under controlled environment. Hence no physical verification has been done on regular intervals.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of

section 185 and 186 of the Act, with respect to the loans and investments made.

- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) According to the information and explanation given by the company, the Central government has not specified maintenance of cost records under sub-section (1) of section 148 of Companies act 2013. Further production is closed since July 2013. Therefore clause (vi) of Paragraph 3 of the order is not applicable
- (vii) a. According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess and any other statutory dues applicable to it as on 31 March 2016.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth Tax, Service tax, Customs duty, Excise duty, Value added tax and Cess which have not been deposited with the appropriate authorities on account of any dispute except as under:

Nature of Statute	Nature of Dues	Period	As at 31.03.2016	Forum where dispute is pending
Excise	Dispute relating to Excise Duty		29,532,324 4,079,184 418,444	CESTAT CESTAT CESTAT
			<b>34,029,952</b>	

Nature of Statute	Nature of Dues	Period	As at 31.03.2016	Forum where dispute is pending
Income Tax	Dispute relating to Income Tax	1994-95	20,359,259	Hon'ble High Court of Andhra Pradesh
		1995-96	5,172,082	
		2003-04	28,937,712	The Company is in the process of filing an appeal against the order of TPO.
		2004-05	18,256,357	
		2005-06	33,216,328	
		2010-11	72,281,070	Income Tax Appellate Tribunal
		2011-12	10,990,023	Commissioner of Income-Tax (Appeal)
			<b>189,212,831</b>	
	<b>223,242,783</b>			

- (viii) According to the information and explanation given to us, there is no amount repayable to bank and financial institutions as at balance sheet date. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our

examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **Laxminiwas & Jain**  
Chartered Accountants

Firm's registration number: 001859 S

Place: Hyderabad  
Date: 15 July 2016

**Laxminiwas Sharma**  
Partner  
Membership No: 014244



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## **Annexure - B to the Auditors' Report**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Golkonda Aluminium Extrusions Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **Laxminiwas & Jain**  
*Chartered Accountants*

Firm's registration number: 001859 S

Place: Hyderabad  
Date: 15 July 2016

**Laxminiwas Sharma**  
*Partner*

Membership No: 014244



## Balance sheet as at 31 March 2016

(All amounts are in Indian Rupees except for share data or otherwise stated)

	Notes	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	2.1	158,211,130	158,211,130
(b) Reserves and surplus	2.2	(130,303,923)	(158,849,860)
		27,907,207	(638,730)
<b>Non-current liabilities</b>			
(a) Long-term provisions	2.3	250,000	3,115,521
		250,000	3,115,521
<b>Current liabilities</b>			
(a) Trade payables	2.4	29,470,783	30,063,696
(b) Other current liabilities	2.5	37,362,477	17,680,976
(c) Short-term provisions	2.6	-	5,934,042
		66,833,260	53,678,714
<b>TOTAL</b>		<b>94,990,467</b>	<b>56,155,505</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets	2.7		
- Tangible assets		72,299,428	35,193,040
- Intangible assets		-	264,427
- Capital work-in-progress		7,287,755	7,287,755
(b) Long-term loans and advances	2.8	827,757	798,231
		80,414,940	43,543,453
<b>Current Assets</b>			
(a) Inventories	2.9	5,722,410	5,722,410
(b) Trade receivables	2.10	-	17,474
(c) Current Investments	2.11	-	1,510,633
(d) Cash and cash equivalents	2.12	4,827,783	859,404
(e) Short-term loans and advances	2.13	4,025,334	4,502,131
		14,575,527	12,612,052
<b>TOTAL</b>		<b>94,990,467</b>	<b>56,155,505</b>

Significant accounting policies and notes on accounts 1 & 2

The notes referred to above form an integral part of the financial statements

As per our report of even date attached.

for **Laxminiwas & Jain**

Chartered Accountants

Firm's Registration number: 001859S

for **Golkonda Aluminium Extrusions Limited**

**Laxminiwas Sharma**

Partner

Membership number: 014244

**Ashish Kumar Gupta**

Chairman

DIN: 00061551

**Anand Bharti**

Whole Time Director

DIN: 02469989

Place: Hyderabad

Date: 15th July, 2016

**Archit Agarwal**

Finance Manager

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## Statement of profit and loss for the period ended 31 March 2016

(All amounts are in Indian Rupees except for share data or otherwise stated)

	Notes	Year ended 31 March 2016	Year ended 30 June 2015
		₹	₹
<b>INCOME</b>			
Revenue from operations	2.14	-	-
Other income	2.15	22,245,429	33,973,384
<b>Total revenue</b>		<b>22,245,429</b>	<b>33,973,384</b>
<b>EXPENSES</b>			
Cost of materials consumed	2.16	-	-
Changes in inventories of finished goods and work in progress	2.17	-	-
Manufacturing expenses	2.18	656,347	850,826
Employee benefits expense	2.19	23,394,572	2,879,792
Finance costs	2.20	105,995	133,957
Depreciation/ amortisation	2.7	5,537,846	8,547,797
Other expenses	2.21	5,256,287	6,519,903
Foreign exchange loss, net		1,128,252	-
<b>Total expenses</b>		<b>36,079,299</b>	<b>18,932,275</b>
<b>Profit / (loss) before Exceptional items and Tax</b>		<b>(13,833,870)</b>	<b>15,041,109</b>
<u>Exceptional Items</u>			
Liability Written Back	2.22	-	96,456,372
Profit / (loss) before Tax		(13,833,870)	111,497,481
Tax expenses			
- Current tax expense		-	-
- Deferred tax expense		-	-
<b>Profit / (loss) for the year</b>		<b>(13,833,870)</b>	<b>111,497,481</b>
<b>Earnings per share (equity shares, par value ₹ 10 each)</b>			
Basic (₹)	2.31	-1.36	8.67
Diluted (₹)		-1.36	5.80

Significant accounting policies and notes on accounts 1 & 2

As per our report of even date attached.

for **Laxminiwas & Jain**

Chartered Accountants

Firm's Registration number: 001859S

for **Golkonda Aluminium Extrusions Limited**

**Laxminiwas Sharma**

Partner

Membership number: 014244

**Ashish Kumar Gupta**

Chairman

DIN: 00061551

**Anand Bharti**

Whole Time Director

DIN: 02469989

Place: Hyderabad

Date: 15th July, 2016

**Archit Agarwal**

Finance Manager

## Cash flow statement for the year ended 31 March 2016

(All amounts are in Indian Rupees except for share data or otherwise stated)

	For the year ended 31 March 2016	For the year ended 30 June 2015
	₹	₹
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	(13,833,870)	111,497,481
<b>Adjustments:</b>		
Depreciation	5,537,846	8,547,797
Finance expense	105,995	133,957
Profit on sale of investments, net	(29,569)	(23,464)
Unrealised foreign exchange loss/(gain)	4,320,390	3,192,138
Assets written off	238,365	-
Liability written back	(8,634,740)	-
Provision for doubtful debts	17,474	-
<b>Operating cash flows before working capital changes</b>	<b>(12,278,109)</b>	<b>123,347,909</b>
Sundry debtors	-	-
Loans and advances	358,673	7,627,709
Inventories	-	-
Current liabilities and provisions	14,603,375	(128,956,764)
Cash generated from operations	2,683,939	2,018,854
Income taxes paid	(149,767)	(10,000)
<b>Net cash provided by operating activities</b>	<b>2,534,172</b>	<b>2,008,854</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	-	(5,000,000)
Proceeds from sale of investments	1,540,202	3,812,288
<b>Net cash used in investing activities</b>	<b>1,540,202</b>	<b>(1,187,712)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(105,995)	(133,957)
<b>Net cash used in financing activities</b>	<b>(105,995)</b>	<b>(133,957)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,968,379</b>	<b>687,185</b>
Cash and cash equivalents at the beginning of the year	859,404	172,219
Effect of exchange gain/(loss) on cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>4,827,783</b>	<b>859,404</b>
<b>Note 1:</b>		
Cash and cash equivalents comprise:		
Cash in hand	16,869	38,429
Balances with scheduled banks		
- in current account	4,810,914	820,975
- in exchange earner`s foreign currency account	-	-
	<b>4,827,783</b>	<b>859,404</b>

As per our report of even date attached.

for **Laxminiwas & Jain**  
Chartered Accountants  
Firm's Registration number: 001859S

for **Golkonda Aluminium Extrusions Limited**

**Laxminiwas Sharma**  
Partner  
Membership number: 014244

**Ashish Kumar Gupta**  
Chairman  
DIN: 00061551

**Anand Bharti**  
Whole Time Director  
DIN: 02469989

Place: Hyderabad  
Date: 15th July, 2016

**Archit Agarwal**  
Finance Manager

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## Significant Accounting Policies

### Company overview

Golkonda Aluminium Extrusions Limited (Formerly known as Alumeco India Extrusion Limited) ("the Company") manufactures aluminum extrusion in India. The Company is a public limited company and is listed on Bombay Stock Exchange (BSE).

### Note 1: Significant accounting policies

#### 1. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013, to the extent applicable. The financial statements are presented in Indian rupees

#### 2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 3. Current-non-current classification

All assets and liabilities are classified into current and non-current.

##### *Assets*

An asset is classified as current when it satisfies any of following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current. All other assets are classified as non-current.

##### *Liabilities*

A liability is classified as current when it satisfies any of following criteria:

- i. it is expected to be settled in the company's normal operating cycle;
- ii. it is held primarily for the purpose of being trade;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle: Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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## Significant accounting policies

### 4. Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost of inventories comprises purchase price and all incidental expenses incurred in bringing the inventory to its present location and condition. The method of determination of cost is as follows:

- Raw materials and components – on a first in first out method.
- Stores and spares – at cost.
- Work-in-progress and finished goods (manufactured) – on a first in first out method and includes costs of conversion.
- Traded goods – at landed cost on a first in first out method.

Fixed production overheads are allocated on the basis of normal capacity of production facilities.

The comparison of cost and net realisable value is made on an item-by-item basis.

The net realisable value of work-in-progress is determined with reference to the net realisable value of finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed on a quarterly basis and is provided as considered necessary.

### 5. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from revenue generating, investing and financing activities of the company are segregated.

### 6. Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash in hand and balance in bank in current accounts and in exchange earner's foreign currency accounts.

### 7. Revenue recognition

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

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from job work is recognised as per the terms of contract with the customer. The amount recognised as sale is exclusive of sales tax and trade and quantity discounts. Revenue from sale of goods has been presented both gross and net of excise duty.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 8. Fixed assets

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes, duties, freight, and other incidental expenses related to the acquisition and installation of respective assets. Acquired intangible assets are recorded at the consideration paid for acquisition. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Cost of fixed assets not ready for their intended use before such date is disclosed under capital work-in-progress.

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## Significant accounting policies

### 9. Depreciation

Depreciation on fixed assets is provided based on the useful life as prescribed under Schedule II to the Companies Act, 2013. Rates of depreciation used that are higher than Schedule II rates are as follows:

	Rates (SLM)
Dies	20.00%
Computer software	20.00%

Land is not depreciated. Depreciation is calculated on a pro-rata basis from the date of installation till the date the assets are sold or disposed. Individual assets costing less than Rs.5,000 are depreciated in full in the year of acquisition, if any.

### 10. Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the Statement of profit and loss of the year when the contributions to the respective fund is due. There are no other obligations other than the contribution payable to the provident fund.
- (ii) Gratuity liability and compensated absences are defined benefit obligations and are provided for on actual basis and no actuarial valuation has been made at the end of financial year as there is no employee on which liability is to be accrued.
- (iii) Termination benefits for retrenched workers are recognized as contingent liability based on the previous settlements.

### 11. Foreign currency translation

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

### 12. Investments

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of the long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/ non-current classification scheme of Revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment i.e. equity shares, preference shares, convertible debentures, etc.

Any reductions in the carrying amount and any reversal of such reductions are charged or credited to the Statement of profit and loss.

Profit/ (loss) on sale of investments is determined separately for each investment.

### 13. Export benefits and incentives

Benefits on account of advance license for imports are accounted for on purchase of imported material. Other export benefits/incentives are accounted on an accrual basis when the amount become due and receivable.

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## **Significant accounting policies**

### **14. Leases**

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense on a straight line basis over the lease term.

### **15. Taxes on income**

Tax expense comprises of current and deferred tax. Current income-tax is calculated in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is measured based on the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has unabsorbed depreciation or carried forwards losses deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Unrecognised deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become virtually certain that future taxable income will be available against which such deferred tax assets can be realised.

### **16. Earnings per share**

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

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

### **17. Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### **18. Provisions and contingent liabilities**

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possibility of an obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

## Notes on Accounts

(All amounts are in Indian Rupees except for share data or otherwise stated)

2.1 Share capital	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>Authorised</b>		
12,500,000 (30 June 2015 : 12,500,000) equity shares of ₹ 10 each	125,000,000	125,000,000
3,500,000 (30 June 2015 : 3,500,000) preference shares of ₹ 10 each	35,000,000	35,000,000
	<b>160,000,000</b>	<b>160,000,000</b>
<b>Issued, subscribed and paid-up capital</b>		
12,397,113 (30 June 2015 : 12,397,113) equity shares of ₹ 10 each fully paid	123,971,130	123,971,130
3,424,000 (30 June 2015 : 3,424,000) 10% cumulative redeemable optionally convertible preference shares of ₹ 10 each fully paid	34,240,000	34,240,000
	<b>158,211,130</b>	<b>158,211,130</b>

**Notes :**

1. Issued, subscribed paid-up capital includes:

- a) 7,500,000 (30 June 2015: 7,500,000) equity shares held by OSI India Holding A/S, Denmark (holding company).
- b) 3,424,000 (30 June 2015: 3,424,000) preference shares held by Alumeco A/S, Denmark (holding company of OSI India Holding A/S, Denmark).

2. The details of shareholder holding more than 5% equity shares along with number of equity shares held is set below:

Name of the shareholder	As at 31 March 2016		As at 30 June 2015	
	%	Number of shares	%	Number of shares
OSI India Holding A/S, Denmark (holding company)	60.50	7,500,000	60.50	7,500,000

3. The reconciliation of equity shares outstanding at the beginning and at the end of the reporting period is set below:

Particulars	As at 31 March 2016		As at 30 June 2015	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	12,397,113	123,971,130	12,397,113	123,971,130
Issued during the year	-	-	-	-
Outstanding at the end of the year	12,397,113	123,971,130	12,397,113	123,971,130

4. **Terms and rights attached to the equity shares:** The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by equity shareholders.

5. The details of shareholder holding more than 5% of 10% cumulative redeemable optionally convertible preference shares along with number of shares held is set below:

Name of the shareholder	As at 31 March 2016		As at 30 June 2015	
	%	Number of shares	%	Number of shares
Alumeco A/S, Denmark (holding company of OSI India Holding A/S, Denmark)	100.00	3,424,000	100.00	3,424,000

6. The reconciliation of 10% cumulative redeemable optionally convertible preference shares outstanding at the beginning and at the end of the reporting period is set below:

Particulars	As at 31 March 2016		As at 30 June 2015	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	3,424,000	34,240,000	3,424,000	34,240,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	3,424,000	34,240,000	3,424,000	34,240,000



## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

7. Terms and rights attached to the 10% cumulative redeemable optionally convertible preference shares: 10% Cumulative Redeemable Optionally Convertible Preference Shares (CRCPS) of Rs 10 each had been allotted by the Company in the year 2005. As per the terms of the arrangement these preference shares including unpaid dividend could be converted into ordinary equity shares of the Company of Rs 10 each at any time after 3 years from date of allotment or could be redeemed by the Company at par in three equal installments commencing from the end of 5th, 6th and 7th year from the date of allotment. During the year 2009-10, the Company had obtained extension of redemption period by 3 years from the preference shareholders (i.e. redemption at end of 8th, 9th and 10th year from the date of allotment). Further extension of redemption period by 3 years has been obtained with all other terms remaining unaltered. Accordingly, these preference shares shall now be redeemed by the Company at par in three equal installments commencing from the end of 11th, 12th and 13th year from the date of allotment. No conversion option has been exercised so far.

	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>2.2 Reserves and surplus</b>		
<i>Capital investment subsidy</i>		
At the beginning and at the end of the year	306,000	306,000
<i>Capital reserve</i>		
At the beginning and at the end of the year	8,500	8,500
<i>Securities premium reserve</i>		
At the beginning and at the end of the year	1,997,175	1,997,175
<i>Revaluation Reserve</i>		
At the beginning and at the end of the year	42,379,807	-
<i>Surplus/ (Deficit) in the Statement of Profit and Loss</i>		
Opening balance	(161,161,535)	(271,440,790)
Add : Profit/(loss) for the year	(13,833,870)	111,497,481
Less : Depreciation transfer to Reserve	-	(1,218,226)
Closing balance	(174,995,405)	(161,161,535)
	<b>(130,303,923)</b>	<b>(158,849,860)</b>

### 2.3 Provisions

#### Long-term Provisions

<i>Others</i>		
- Taxation [net of advance tax ₹ 149,767 (30 June 2015 : ₹ 149,767)]	-	2,865,521
- Excise duty and sales tax matters	250,000	250,000
	<b>250,000</b>	<b>3,115,521</b>

### 2.4 Trade payable

- Due to micro and small enterprises (refer note 2.32)	-	-
- Other	29,470,783	30,063,696
	<b>29,470,783</b>	<b>30,063,696</b>

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### Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>2.5 Other current liabilities</b>		
Current maturities of short-term debts	1,700,000	-
Security Deposits	302,772	2,242,604
Accrued salaries, wages and bonus	21,736,255	298,876
Advance from customers	1,590,951	2,566,064
Accrued expenses	8,545,834	8,988,507
Payable to Customs / Excise Authorities	3,268,218	3,268,218
Statutory liabilities	218,447	316,707
	<b>37,362,477</b>	<b>17,680,976</b>

### 2.6 Short-term Provisions

*Provision for employee benefits*

- Provision for gratuity	-	4,945,334
- Provision for compensated absences	-	988,708
	-	<b>5,934,042</b>

## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

### 2.7 Fixed Assets

Description	Gross block				Accumulated Depreciation				Net Block	
	As at 1 July 2015	Additions	Deletions / Adjustments	As at 31 March 2016"	As at 1 July 2015	Charge for the year	Deletions/ Adjustments	As at 31 March 2016	As at 31 March 2016	As at 30 June 2015
<b>Tangible, owned</b>										
Land	796,371	-	36,229,629	37,026,000	-	-	-	-	37,026,000	796,371
Buildings										
- Factory buildings	20,793,198	-	(1,059,153)	19,734,045	10,796,439	470,667	-	11,267,106	8,466,939	9,996,759
- Non factory buildings	10,411,290	-	(768,140)	9,643,150	3,115,714	386,875	-	3,502,589	6,140,561	7,295,576
Plant and machinery	149,494,013	-	5,697,053	155,191,066	140,274,759	1,069,546	-	141,344,305	13,846,761	9,219,254
Dies	51,806,668	-	970,121	52,776,789	48,016,233	2,402,665	-	50,418,898	2,357,891	3,790,435
Electrical installation	16,244,975	-	660,386	16,905,361	15,067,327	232,957	-	15,300,284	1,605,077	1,177,648
Furniture and fittings	2,518,901	-	512,341	3,031,242	1,498,846	287,146	-	1,785,992	1,245,250	1,020,055
Office equipment	2,129,838	-	82,720	2,212,558	2,002,641	8,865	-	2,011,506	201,052	127,197
Computers	3,283,793	-	54,850	3,338,643	3,032,121	173,208	-	3,205,329	133,314	251,672
Vehicles	2,992,358	-	-	2,992,358	1,474,285	241,490	-	1,715,775	1,276,583	1,518,073
	<b>260,471,405</b>	-	<b>42,379,807</b>	<b>302,851,212</b>	<b>225,278,365</b>	<b>5,273,419</b>	-	<b>230,551,784</b>	<b>72,299,428</b>	<b>35,193,040</b>
<b>Intangibles, owned</b>										
Computer Software	3,238,784	-	-	3,238,784	2,974,357	264,427	-	3,238,784	-	264,427
	<b>3,238,784</b>	-	-	<b>3,238,784</b>	<b>2,974,357</b>	<b>264,427</b>	-	<b>3,238,784</b>	-	<b>264,427</b>
<b>Total</b>	<b>263,710,189</b>	-	<b>42,379,807</b>	<b>306,089,996</b>	<b>228,252,722</b>	<b>5,537,846</b>	-	<b>233,790,568</b>	<b>72,299,428</b>	<b>35,457,467</b>

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## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>2.8 Long-term loans and advances</b>		
<i>Unsecured, considered good</i>		
Security deposits	176,000	296,241
Other loans and advances		
- Advance income taxes {provision for tax ₹ Nil (30 June 2015: ₹ 149,767)}	651,757	501,990
	<b>827,757</b>	<b>798,231</b>
<b>2.9 Inventories</b>		
(at lower of cost or net realisable value)		
Raw material	-	-
Work-in-progress	-	-
Finished goods	-	-
Stores, spares and consumables	5,722,410	5,722,410
	<b>5,722,410</b>	<b>5,722,410</b>
<b>2.10 Trade receivables</b>		
Debtors outstanding for a period exceeding six months from the date they became due for payment		
- Secured, considered good	-	-
Other debts		
- Unsecured, considered good	-	17,474
- Doubtful	494,163	494,163
	<b>511,637</b>	<b>494,163</b>
Less : Provision for doubtful debts	511,637	511,637
	<b>-</b>	<b>17,474</b>
<b>2.11 Current Investments</b>		
Investments in mutual funds	-	1,510,633
Less : Provision for diminution in the value of investments	-	-
	<b>-</b>	<b>1,510,633</b>

## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>2.12 Cash and cash equivalents</b>		
Cash in hand	16,869	38,429
Balances with scheduled banks		
- in current account	4,810,914	820,975
- in exchange earner's foreign currency account	-	-
	<b>4,827,783</b>	<b>859,404</b>
Balance in banks with more than 12 months maturity	-	-
<b>2.13 Short-term loans and advances</b>		
<i>Unsecured, considered good</i>		
Other loans and advances		
- Prepaid expenses	2,305	441,939
- Balance with customs/ excise authorities	4,023,029	3,683,878
- Advance to employees	-	376,314
	<b>4,025,334</b>	<b>4,502,131</b>
<b>2.14 Revenue from operations</b>		
Sale of goods - manufactured	-	-
Less : Excise duty	-	-
	-	-
Other operating revenue		
- Scrap sales	-	-
- Sale of Raw Material and Stores, Spares and Consumables	-	-
- Jobwork income	-	-
	-	-
<b>2.15 Other Income</b>		
Interest income	-	-
Profit on sale of investments, net	29,569	23,464
Foreign exchange gain, net	-	28,780,897
Liability written back	8,634,740	-
Miscellaneous income	13,581,120	5,169,023
	<b>22,245,429</b>	<b>33,973,384</b>
<b>2.16 Cost of materials consumed</b>		
Opening stock of raw material	-	-
Add : Purchases	-	-
	-	-
Less : Closing stock	-	-
	-	-
<b>2.17 Changes in inventories of finished goods and work-in-progress</b>		
Opening work-in-progress	-	-
Opening finished goods	-	-
	-	-
Closing work-in-progress	-	-
Closing finished goods	-	-
	-	-
Adjustment for excise duty on stock	-	-
<b>Net increase / (decrease) in stock</b>	<b>-</b>	<b>-</b>

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## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

	As at 31 March 2016 ₹	As at 30 June 2015 ₹
<b>2.18 Manufacturing expenses</b>		
Repairs and maintenance		
- Buildings	77,880	29,135
- Plant and machinery	-	-
- Others	-	-
Loss on fixed assets discarded/disposed, net	-	-
Other manufacturing expenses	578,467	821,691
	<b>656,347</b>	<b>850,826</b>
<b>2.19 Employee benefits expense</b>		
Salaries, wages and bonus	315,000	1,388,813
Contribution to provident and other funds	-	38,615
Retirement benefits	22,994,979	1,421,167
Staff welfare	84,593	31,197
	<b>23,394,572</b>	<b>2,879,792</b>
<b>2.20 Finance costs</b>		
Interest - others	81,556	107,068
Bank charges	24,439	26,889
	<b>105,995</b>	<b>133,957</b>
<b>2.21 Other expenses</b>		
Assets written off	238,365	-
Travelling and conveyance	459,737	288,574
Legal and professional	1,968,773	2,885,182
Provision for doubtful debts	17,474	-
Insurance	228,512	116,729
Communication	193,449	114,859
Directors' sitting fees	230,000	300,000
Rent	297,000	396,000
Rates and taxes	53,553	62,170
Printing and stationery	72,952	96,924
Miscellaneous expenses	1,496,472	2,259,465
	<b>5,256,287</b>	<b>6,519,903</b>
<b>2.22 Extraordinary Items</b>		
Liability Written Back	-	96,456,372
	<b>-</b>	<b>96,456,372</b>

## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

### 2.24 Going concern assumption

The Company has accumulated losses of ₹ 174,995,405 (30 June 2015: ₹ 161,161,535) as on that date compared to the shareholder's funds of ₹ 202,902,612 (30 June 2015: ₹ 160,522,805). The Company ceases to be Sick Industrial Company vide BIFR order no. MA NO. 135/BC/2015 dated 08 June 2015 as the net worth turned positive as on 31 December 2014. The Company has obtained the shareholders' approval for sale of substantially the whole of assets by passing a special resolution through postal ballot on 17th March, 2016 as per the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013. Thereafter, the Company has entered into an Asset Purchase Agreement (APA) with Sagar Asia Private Limited for the sale of these assets of the Company on lump sum consideration of Rs. 84 millions on 26th May, 2016. Due to this event which has occurred after the balance sheet date, the Company ceases to have going concern assumption and, therefore, all assets and liabilities of the Company have been revalued at Net Realisable Value on 31st March, 2016.

As per the disclosure requirement of Accounting Standard – 24, Discontinuing Operations, the following is the impact on Assets and Liabilities due to revaluation:-

Particulars	Pre-Revaluation	Post-Revaluation	(increase)/ Decrease (net)	Transfer to Reserve	Transfer to P & L A/c
Total Assets	52,849,025	94,990,467	(42,141,442)	(42,379,807)	238,365
Total Liabilities	75,718,000	67,083,260	8,634,740	0	8,634,740

To align with the Section 2(41) of the Companies Act, 2013, the Company has decided to close its financial year on 31st March every year and the current financial year on 31st March 2016 by preparing the Financial Statements for a period of 9 months commencing from 1st July, 2015 to 31st March, 2016.

### 2.25 Capital commitments and contingent liabilities

₹

Particulars		As at 31 March 2016	As at 30 June 2015
(a)	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-
(b)	Preference share dividend	36,524,230	33,956,230
(c)	Tax on preference dividend not provided for	5,997,917	5,561,485
(d)	Excise matters under dispute	34,029,952	34,029,952
(e)	Income Tax matters under dispute:		
	<b>Relevant Assessment Year</b>	<b>Income under dispute (₹)</b>	<b>Forum where dispute is pending</b>
	1994-95	2,03,59,259	Honorable High Court of Andhra Pradesh
	1995-96	51,72,082	
	2003-04	2,89,37,712	The Company is in the process of filing an appeal against the order of TPO.
	2004-05	1,82,56,357	
	2005-06	3,32,16,328	
	2010-11	7,22,81,070	Income Tax Appellate Tribunal
	2011-12	1,09,90,023	Commissioner of Income-Tax(Appeal)

The consequential liability if any, in respect of taxes and penalties for the subsequent assessment years is presently not determinable as the appeal filed in this regard are pending before the various authorities.

## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

- (f) For the fiscal year 2012-2013 to 2013-2014, the Company has paid sales tax at a concessional rate against 'C' Form in respect of its interstate sales for which it is required to obtain 'C' forms from its customers and submit to the sales tax department. In the event, the Company is unable to collect and submit such 'C' forms it will be required to pay the sales tax at the higher rate together with interest and penalties as applicable. As on the balance sheet signing date, the aggregate amount of 'C' forms to be collected is ₹ 25,117,522. Whilst management is confident that it will be able to collect all outstanding 'C' forms before the completion of relevant assessment and that no liability in this respect will devolve upon the Company, the aggregate additional tax in the event that none of the 'C' forms are collected would be approximately ₹ 753,526.
- (g) The Company has received a letter from BSE dated 12th January, 2015 for non submission of Financial Results for two consecutive quarters i.e., June 2014 and September 2014 and BSE has also levied a penalty of ₹ 1,206,713. However, the Company has requested for waiver of penalty vide letter dated 15th January, 2015.
- (h) During the year, the Company has settled all the pending issues with the workmen by entering into mutual agreements and has paid all the amounts payable to workmen by 29th June, 2016. Accordingly, the Company is in the process of filing an application before Hon'ble High Court of Andhra Pradesh for withdrawal of case filed by it in connection with closure of unit, as there are no pending issues with / no dues payable to any workmen.

### 2.26 Auditors' remuneration (excluding service tax) (included in legal and professional)

Particulars	For the year ended 30 June 2015	For the year ended 30 June 2014
Statutory audit fees	75,000	150,000
Tax audit fees	-	50,000
Other services	50,000	150,000
Out-of-pocket expenses	-	-
<b>Total</b>	<b>125,000</b>	<b>350,000</b>

### 2.27 (A) Related party transactions

Name of the related party	Country	Nature of relationship
OSI India Holding A/S ('OSI')	Denmark	Immediate holding company
Alumeco A/S	Denmark	Holding Company of OSI
H S Metalservice nr 2 ApS (HSM)	Denmark	Holding Company of Alumeco A/S
H S Metalservice ApS	Denmark	Holding Company of HSM
Alumeco Handlerservices GmbH	Germany	Subsidiary of Alumeco A/S
Mr. Anand Parkash	India	Key Management Personnel



## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

(B) The details of the related party transactions entered into by the Company during the year are as follows:

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
<b>Holding Company</b>		
Alumeco Handlerservices GmbH		
• Interest provided on overdue bills-	-	-
<b>Remuneration paid to:</b>		
• Mr. Wolfgang Ormeloh	-	-
• Mr. N.K. Khandelwal	-	-
• Mr. Rakesh Gupta	-	-
• Mr. Anand Parkash	315,000	420,000

### C) Balances with related parties:

₹

Particulars	Receivable / (Payables) as at	
	31 March 2016	30 June 2015
<b>Holding Company</b>		
Alumeco Handlerservices GmbH		
- Trade payables	(29,030,362)	(27,902,110)
<b>Managerial Personnel</b>		
Mr. Anand Parkash	-	5097

### 2.28 Unhedged foreign currency

(a) Particulars of unhedged foreign currency exposure are detailed below at the exchange rate prevailing at the year-end:

Particulars	As at 31 March 2016	As at 30 June 2014
Sundry creditors	US \$ 437,646	US \$ 437,646
Sundry creditors	INR 29,030,362	INR 27,902,110

### 2.29 Employee benefit plans

During the year, the Company has settled all the pending issues with the workmen by entering into mutual agreements and has paid all the amounts payable to workmen by 29th June, 2016. Accordingly, the Company is in the process of filing an application before Hon'ble High Court of Andhra Pradesh for withdrawal of case filed by it in connection with closure of unit, as there are no pending issues with / no dues payable to any workmen.

### 2.30 Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act, 1961. However, during the year, there is no international transaction.

### Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

#### 2.31 Earnings per share (EPS)

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
<b>Earnings (₹)</b>		
Net profit / (loss) after tax for the year	(13,833,870)	111,497,481
Less : Preference dividend including tax on dividend	3,004,432	4,005,909
<b>Net profit for calculation of basic earnings per share (₹)</b>	<b>(16,838,302)</b>	<b>107,491,572</b>
<b>Shares</b>		
Weighted average number of equity shares in calculating basic EPS (in No's) <b>(A)</b>	12,397,113	12,397,113
Weighted average number of equity shares which would be issued on the conversion of preference shares (including equivalent number of shares to be issued against arrears of preference dividend) (in No's) <b>(B)</b>	7,076,423	6,819,623
Total weighted average number of shares in calculating diluted EPS <b>(A+B)</b>	19,473,536	19,216,736
<b>Earnings per share of par value ₹ 10 – Basic</b>	<b>(1.36)</b>	<b>8.67</b>
<b>Earnings per share of par value ₹ 10 – Diluted</b>	<b>(1.36)</b>	<b>5.80</b>

**2.32** The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 30 June 2014 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	Nil	Nil
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of the year;	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

### 2.33. Deferred taxes

Deferred tax (assets) / liabilities included in the Balance sheet comprise the following

₹

Particulars	as at 31 March 2016	as at 30 June 2015
<b>Deferred tax liability</b>		
Excess of depreciation allowable under income tax law over depreciation provided in accounts	-	-
<b>Deferred tax asset</b>		
Brought forward losses and unabsorbed depreciation (restricted to the amount of deferred tax liability)	-	-
<b>Net deferred tax (asset) / liability</b>	-	-

In accordance with AS 22, "Accounting for taxes on income" prescribed by the Rules, due to brought forward losses under the taxation laws and on account of absence of virtual certainty on realisation of deferred tax assets, deferred tax assets on unabsorbed depreciation, carried forward losses and other temporary timing differences has been recognized only to the extent of deferred tax liability

### 2.34. Segment reporting

Segments are identified in line with AS-17 "Segment Reporting". The Company is in the business of manufacturing of aluminum profiles and in view of Company's internal organisation, management structure, internal financial reporting system it has identified manufacturing of aluminum profiles as its only primary business segment. The analysis of geographical segments is based on location of major customers of the Company.

#### Geographical segment:

The Company sells aluminium extrusions in both, overseas and India, geographical segments. However, during the year ended June 2015, there is no revenue, since the production is closed. The following table shows revenue of the segments for the year ended 30 June 2015 and for the year ended 30 June 2014 and assets of the segments as at 30 June 2015 and as at 30 June 2014.

₹

Particulars	India		Overseas		Total	
	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15	31-Mar-16	30-Jun-15
Revenue (net)	-	-	-	-	-	-
Assets						
- Trade receivables	511,637	511,637	-	-	511,637	511,637
- Other assets	94,990,467	56,287,798	-	-	94,990,467	56,287,798
Additions to fixed assets (including capital work-in-progress)	-	-	-	-	-	-

### Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

#### 2.35. Earnings in foreign currency

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
FOB value of exports	-	-

#### 2.36 Expenditure in foreign currency

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
Interest on loan from - IFU	-	17,590

#### 2.37. Sales of goods

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
<b>Manufactured goods</b>		
Export sales	-	-
Domestic sales	-	12,966,116
<b>Total sales</b>	-	<b>12,966,116</b>

#### 2.38 Consumption of raw materials and stores and spares

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
Aluminum metals-	-	5,597,786
Stores and spares	-	107,885
	-	<b>5,705,671</b>

#### 2.39 Value of imports calculated on CIF basis

₹

Particulars	For the year ended 31 March 2016	For the year ended 30 June 2015
Raw materials	-	-
Spares	-	-

#### 2.40 Imported and indigenous raw materials, and stores and spares consumed

Category	For the year ended 31 March 2016		For the year ended 30 June 2015	
	% of total consumption	Value	% of total consumption	Value
<b>Raw material</b>				
Imported	-	-	-	-
Indigenous	-	-	-	-
<b>Total</b>	-	-	-	-
<b>Stores and spares</b>				
Imported	-	-	-	-
Indigenous	-	-	-	-
<b>Total</b>	-	-	-	-

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## Notes on Accounts (continued)

(All amounts are in Indian Rupees except for share data or otherwise stated)

**2.41** Remuneration to key managerial personnel for the year ended 31 March 2016 includes ₹ Nil (30 June 2015: ₹ Nil) representing remuneration beyond the limits specified in Schedule XIII to the Companies Act, 1956.

### 2.42 Operating leases

The Company has taken guest house under cancellable operating lease agreement. The Company intends to renew such leases in normal course of business. Total rental expense under cancellable operating leases for the current period amounts to ₹ 297,000 (30 June 2015: ₹ 396,000).

**2.43** Set out below is the movement in provision balances in accordance with Accounting Standard 29, 'Provisions, Contingent Liabilities and Contingent Assets' prescribed by Companies (Accounting Standards) Rules, 2006, ('the Rules')

### Provisions

Particulars	₹	
	as at 31 March 2016	as at 30 June 2015
Opening balance	250,000	250,000
Add: Provision	-	-
Less: Utilisation	-	-
Less: Reversal	-	-
<b>Closing balance</b>	<b>250,000</b>	<b>250,000</b>

### 2.44 Previous year comparatives

Previous year figures have been regrouped / reclassified / rearranged, wherever necessary, to conform to those of the current year.

As per our report of even date attached

for **Laxminiwas & Jain**

Chartered Accountants

Firm's Registration number: 001859S

for **Golkonda Aluminium Extrusions Limited**

**Laxminiwas Sharma**

Partner

Membership number: 014244

**Ashish Kumar Gupta**

Chairman

DIN: 00061551

**Anand Bharti**

Whole Time Director

DIN: 02469989

Place: Hyderabad

Date: 15th July, 2016

**Archit Agarwal**

Finance Manager

**Golkonda Aluminium Extrusions Limited**  
**(Formerly known as Alumeco India Extrusion Limited)**

Registered Office: Office: House No. 4-56/1, Kallakal Village, Toopran Mandal,  
Medak District, Telangana – 502 336.

**Form No. MGT-11**  
**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : .....

Registered address : .....

E-mail Id : .....

Folio No. ....

I / We, being the member(s) of ..... Shares of Golkonda Aluminium Extrusions Limited

1	Name		Signature	
	Address			
	E-mail Id		Signature	
	Or failing him			
2	Name		Signature	
	Address			
	E-mail Id		Signature	
	Or failing him			

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to be held on 19th December 2016 at 11.30 a.m. at Sai Tanya Gardens Function Hall, Survey No. 490/E, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502336 at and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolution	For	Against
1	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2016		
2	Re-appointment of Mr. Hans Schweers as Director who retires by rotation		
3	Appointment of Auditors.		
4	Appointment of Mr. Anand Bharti as Whole Time Director of the Company for a period of one year		

Signed this ..... day of ..... 2016

Signature of shareholder.....

Signature of Proxy holder(s).....

Folio No./DP ID & Client ID.....

Affix Revenue Stamp of ₹ 1
-------------------------------------

**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.



**Golkonda Aluminium Extrusions Limited**

*(Formerly known as Alumeco India Extrusion Limited)*

Registered Office: House No. 4-56/1, Kallakal Village, ToopranMandal, Medak District, Telangana – 502 336.

**ATTENDANCE SLIP**

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP Id *		Folio No.	
Clieny Id *		No. of shares	

NAME & ADDRESS OF THE SHAREHOLDER .....

.....

.....

I hereby record my presence at the **28th ANNUAL GENERAL MEETING** of the Company held on Monday 19th December, 2016 at 11.30 a.m. at Sai Tanya Gardens Function Hall, Survey No. 490/E, Kallakal Village, Toopran Mandal, Medak District, Telangana – 502336.



\* Applicable for investors holding shares in dematerialized form.

SIGNATURE OF THE SHAREHOLDER/PROXY



If undelivered, please return to :

**GOLKONDA ALUMINIUM EXTRUSIONS LIMITED**  
*(Formerly known as Alumeco India Extrusion Limited)*

Registered Office: Sy. Nos. 379-382,  
Kallakal Village, Toopran Mandal,  
Medak District, Telangana - 502 336. India  
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