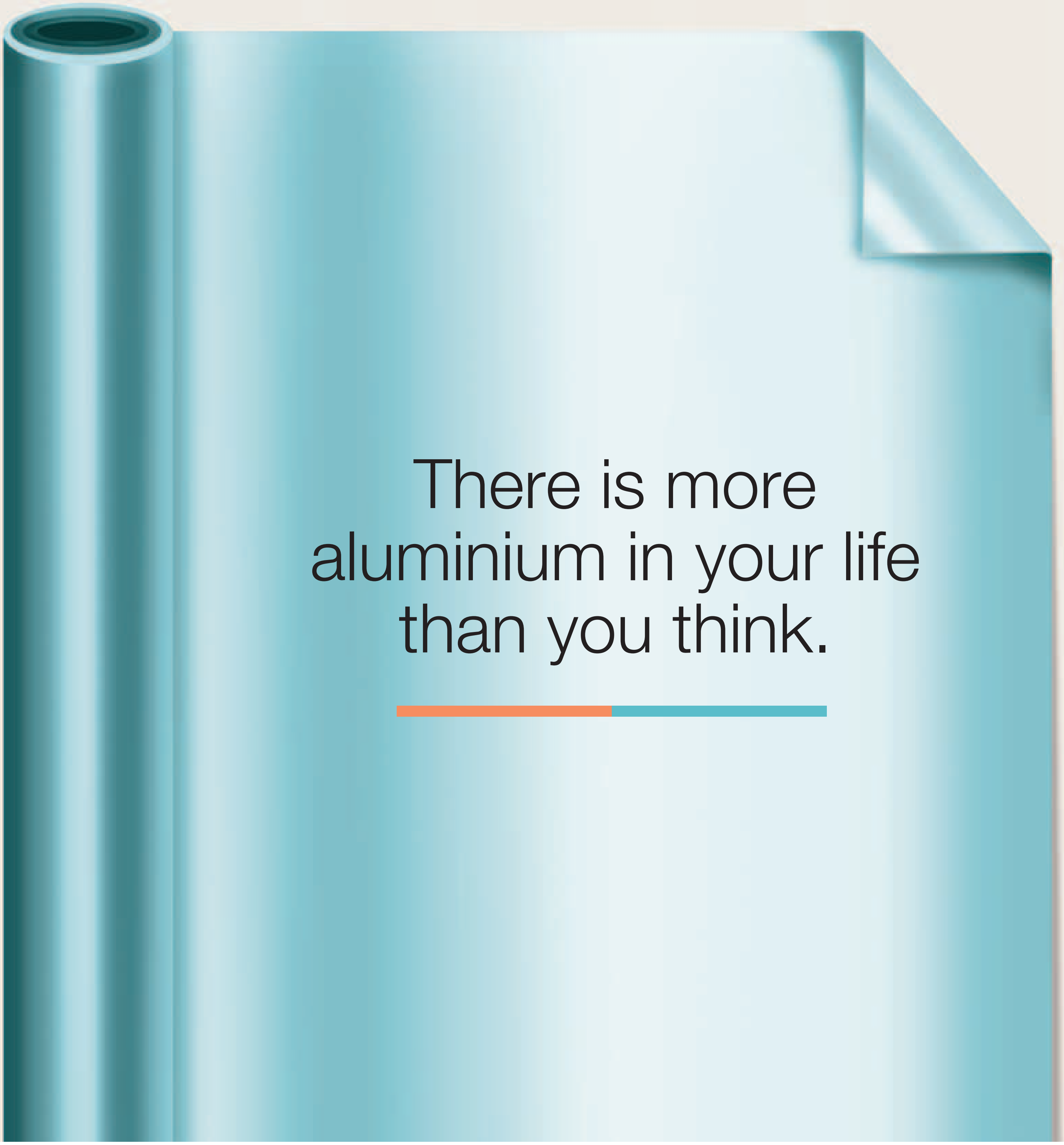

There is more
aluminium in your life
than you think.

Parekh Aluminex Limited.

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

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

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

Parentage

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

Presence

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

Pride

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

Products

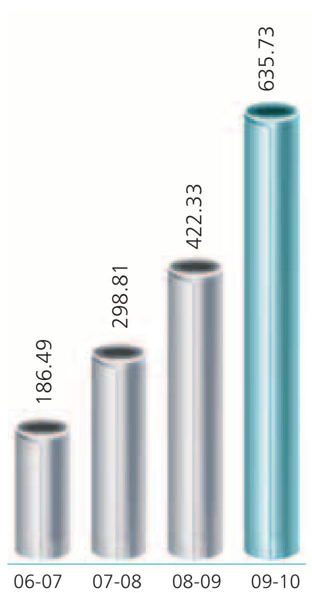
The Company's product basket comprises aluminium foil containers, aluminium foil rolls and lids used for food and related items, ash trays, trays, medicinal trays, casseroles, gas-mats, barbeque servers and bake trays, among others

Prestigious clientele

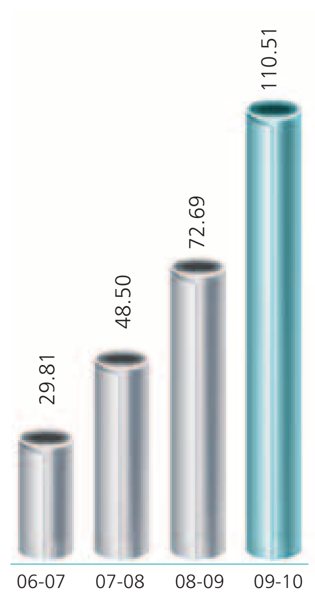
A number of airlines, railways, fast food chains, restaurants and households. The Company's Indian clients include Jet Airways, Indian Airlines, Air India, Kingfisher Airlines, Indian Railways Catering and Tourism Corporation and Taj Air Caterers, among others. Its international clients include B.E.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

Our record performance in 2009-10

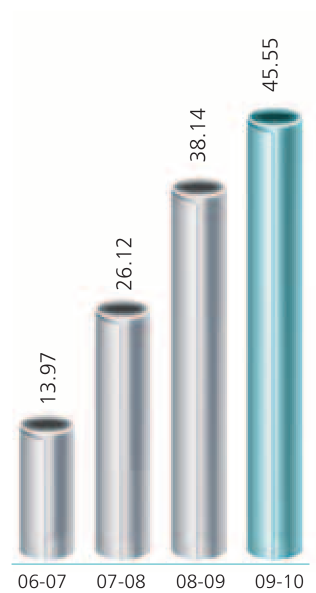
Total income
(₹ in crore)



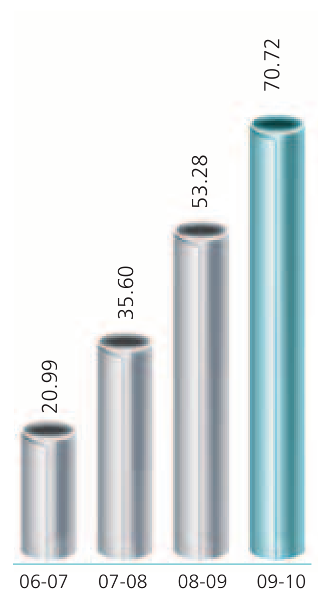
EBIDTA
(₹ in crore)



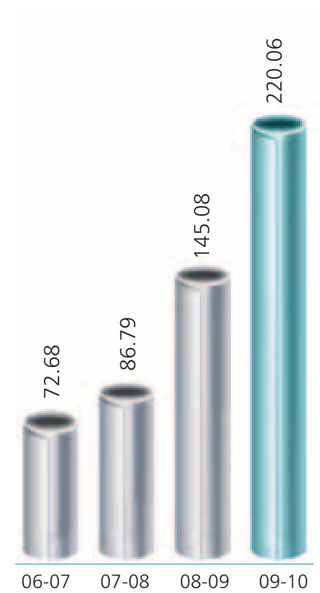
Profit after tax
(₹ in crore)



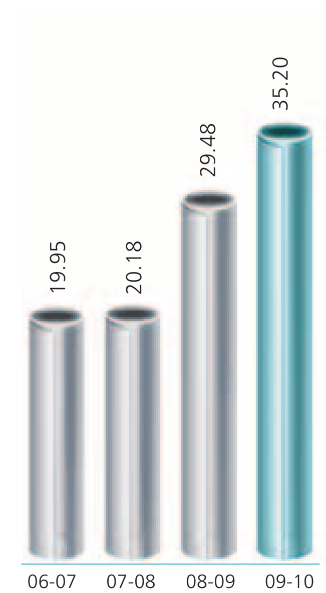
Cash profit
(₹ in crore)



Gross block
(₹ in crore)



Earnings per share
(₹)



Highlights, 2009-10

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

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

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

The big picture

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

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

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

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

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

Right time, right place

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

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

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

Right initiatives

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

Capacity expansion: In a business where all raw material cost increases are a pass through to the end customer, the only way we can enhance our profitability is through economies arising out enhanced scale on the one hand and a reduction in overhead cum interest costs on the other. This is precisely what we have attempted in the last two years. We invested ₹240 cr in our installed capacity in 2009-10, which has the potential to raise our turnover in excess of ₹1,000 cr in a full year's working (the full impact of which has started to reflect from April 2010). Our sense of urgency is reflected in our decision to embark on yet another capacity expansion of ₹350-400 cr, which will be fully complete in March 2012 and possess the potential to raise our consolidated turnover to ₹1500 cr in a full year's working. We are optimistic that this growth in scale will enable us to provide material on demand to service the growing needs of our customers, provide enough material with which to innovate downstream applications in a relatively under-penetrated country and also enable us to cover our fixed costs more effectively. As a result, we see these capacity expansions as not merely necessary for our growth but critical to our need to strengthen our profitability and reinforce our competitive business advantage.

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

Retail entry: The four segments identified for growing our business are institutional (railways and airlines), wholesale (catering to restaurants and hotels), export and retail. Presently, Parekh Aluminex is present significantly in all segments except retail. It is necessary to grow our presence in this last segment for an important reason: while we are servicing the growing need of commercial users for aluminium foil containers, there is a growing domestic need for this material (to store home cooked food) that is not being addressed. Going ahead, we expect to brand aluminium foil containers and enhance their off-the-shelf availability, reaching right down to servicing kitchen demand across the country. This business extension will achieve the following things for our business: evolve us from a generic manufacturer into a branded producer, extend our reach to domestic consumers, enhance our value-addition and grow the proportion of this value-added business segment.

Vision

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

With optimism,

Amitabh Parekh,
Managing Director

Flight kitchens. *Pav bhaji* stalls. Pizza counters. Food chains. Catering companies. Bakers. Confectioners.

Parekh Aluminex products meet their aluminium packaging requirements.

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

Industrialists. IT professionals. Courier agents. Traders. *Dabbawallas.*

Parekh Aluminex products are affordable for all.

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

Siliguri. Rajkot. New Jersey. Jhumritalaiya. Dhaka. Dubai. Vienna. Sriperumbudur. Dublin.

Parekh Aluminex products are everywhere.

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

Mothers. Wives. Chefs. Caterers. Nutritionists.

Parekh Aluminex products are trusted by all.

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

Our strengths

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

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

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

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

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

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

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

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

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

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

Industry overview

Industry growth drivers

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

Airports: India's air services are available from 126 airports (11 international, 89 domestic airports and 26 civil enclaves in Defense airfields). A Crisil report estimates investments of ₹290 billion between 2009-10 and 2013-14 in the country's airport infrastructure. Investment opportunities of US$110 billion are envisaged up to 2020 with US$80 billion in new aircraft and US$30 billion in the development of airport infrastructure. Additional capacities of about 296.95 lakh international and 1035.74 lakh domestic passengers will be created at 45 major airports by 2011-12, as the total international passengers and domestic passengers are projected to increase to 539.39 lakh and 1489.70 lakh respectively *(Source: Ministry of Civil aviation, Economic survey, CRISIL, infrastructure.gov.in)*. This is likely to translate into an increased consumption of aluminium foil containers and rolls.

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

Containers: Why aluminium?

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

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

aluminium foil containers its lids and foil rolls.

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

Working population: As of 2009, India's total working age population (age 15 to 64) is around 765 million or about 17 percent of the world's working age population. The UN Population Division estimates that over the next 10 years, India's working age population is set to grow by a cumulative 138 million, significantly higher than the expected increase of 33 million in China. This compares with an increase of 12 million in the US and a decline of 8 million in Japan and 18 million in Europe. Also there is an increase in the working women population leading to an increase in the proportion of takeaway food. This is likely to translate into an increased consumption of aluminium foil containers its lids and rolls.

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

Business drivers

Operations

Overview

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

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

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

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

(Million pieces per annum)

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

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

Highlights, 2009-10

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

Road ahead

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

Business drivers

Quality

Overview

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

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

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

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

Highlights, 2009-10

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

Road ahead

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

Business drivers

Marketing

Overview

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

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

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

Highlights, 2009-10

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

Road ahead

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

Parekh Aluminex's international competitive advantage

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

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

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

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

Financial analysis

Accounting policy

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

Performance scoreboard for 2009-10

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

Revenue (net sales) analysis

The Company's revenues (excluding other income) grew 50.54 percent from ₹4,212.60 million in 2008-09 to ₹6341.56 million in 2009-10 owing to an increase in sales volume due to expanded capacity, entering newer geographies and increased realisations.

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

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

Cost analysis

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

Break-up of costs (percent of total expenses)

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

Raw materials: Raw materials cost increased 49.67 percent from ₹3,180.31 million in 2008-09 to ₹4759.88 million in 2009-10 owing to the increase in production. This major cost element comprised 90.63 percent of the total expenses.

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

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

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

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

Margins

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

Capital employed

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

Capital employed

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

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

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

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

Gross block

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

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

Working capital

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

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

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

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

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

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

Taxation

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

Corporate information

Board of Directors

Mr. Amitabh Parekh : *Chairman & Managing Director*

Mr. Rajendra Gothi : *Executive Director*

Mr. Kiran C. Parikh : *Director*

Mr. Devanshu Desai : *Director*

Mr. Vikram Mordani : *Director*

Audit Committee

Mr. Vikram Mordani : *Chairman*

Mr. Devanshu Desai : *Member*

Mr. Kiran C. Parikh : *Member*

Shareholders' / Investors' Grievance Committee

Mr. Rajendra Gothi : *Chairman*

Mr. Kiran C. Parikh : *Member*

Mr. Amitabh Parekh : *Member*

Registered Office

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

Administrative Office

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

Bankers

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

Auditors

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

Manufacturing Units:

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

Registrar & Share Transfer Agent

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

Notice

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the financial year ended 31st March, 2010 and the Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.

2. To declare dividend on Equity Shares.

3. To appoint a director in place of Mr. Devanshu Desai, who retires by rotation, but being eligible, offers himself for re-appointment.

4. To appoint a director in place of Mr. Rajendra Gothi, who retires by rotation, but being eligible, offers himself for re-appointment.

5. To appoint M/s. C. V. Pabari & Co., Chartered Accountants, retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

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

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

   "RESOLVED that pursuant to the provisions of Section 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent for confirmation of appointment of Mr. Rajendra Gothi, appointed as Executive Director by the Board on 1st October, 2009 and to the payment of remuneration of ₹10,00,000/- per annum as prescribed under schedule XIII of the Companies Act, 1956, particularly set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, with a liberty to the Board of Directors to alter and vary such terms and conditions including remuneration so as not to exceed the overall limits specified in the act and any other applicable laws and part II i.e. in case of inadequacy of profit of Schedule XIII to the Companies Act, 1956 or any amendments thereto as may be agreed to by the Board of Directors and Mr. Rajendra Gothi during the aforesaid period."

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

   "RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and subject to provisions of the listing agreement entered into by the Company with the Exchanges where the Company's shares are listed and subject to any other necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance, and/or any other appropriate authorities, including Banks, Financial Institutions or other creditors; subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), as amended and all applicable regulations framed and notifications issued thereunder; Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, including the guidelines for Qualified Institutions Placement prescribed in Chapter VIII thereof; subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or by duly authorised persons thereof for the time being exercising the powers conferred on the Board by this resolution, consent and approval of the members of the Company be and is hereby accorded to create, issue, offer and allot, in the course of one or more domestic offering(s) and / or in the course of an international offering to eligible investors including foreign, resident (whether institutions, incorporated bodies, banks, Insurance companies, mutual funds and / or individuals or otherwise) Qualified Institutional Buyers, Foreign Institutional Investors, Indian and / or multilateral Financial Institutions, Non Resident Indians, or such investors whether they are members of the Company or not, by way of circulation of an offering circular or prospectus or by way of private placement, Qualified Institutional Placements (QIPs) / Foreign Currency Convertible Bonds (FCCBs) / Global Depositary Receipts (GDRs) / American Depositary Receipts (ADRs) (hereinafter referred to as "Securities"), in the aggregate principal amount not exceeding ₹5000 Million (Indian Rupees Five Thousand Million only) or equivalent amount in India or any other currency as the case may be, in one or more tranches to be subscribed in Indian / foreign currency, which, at the option of the holders of the securities may be converted into equity shares of the Company, and that such issue and allotment be made in one or more tranches, on such terms and conditions as may be decided and deemed appropriate by the Board and/or by the authorised persons of the Board at the time of issue and allotment.

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

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

   RESOLVED FURTHER THAT without prejudice to the generality of the above and subject to all applicable laws, the aforesaid issue of securities may have all or any terms or combination of terms in accordance with international practices including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever, and all such terms as are provided in issue of securities of this nature internationally including terms for issue of equity shares upon conversion of the securities or variation of the conversion price of the securities during the term of the securities and the Company is also entitled to enter into and execute all such arrangements/agreements as the case may be with any Merchant Bankers, Lead Managers, Managers, Underwriters, Custodians, Advisors, Depositories and all such agencies as may be involved or concerned in such offerings of securities and to remunerate all such agencies including the payment of commissions, brokerage, fees, etc. and also to seek the listing of any or all of such securities or securities representing the same in one or more stock exchange(s) outside India.

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

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

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

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