



DIRECTOR'S REPORT FOR THE YEAR 2011-12

To,
The Shareholders of ALIMCO,

Dear Shareholders,

1. *It is a pleasure for me to welcome you all on my own behalf and on behalf of the Board of Directors to the 39th Annual General Meeting of your Corporation and to present the 39th Annual Report of the Board of Directors of the Corporation on the operations of your Corporation together with the audited statement of accounts and Auditors' Report for the year ended 31st March, 2012. I am thrilled to present the incredible performance of the Corporation during the year 2011-12, not only surpassing all its past records but also touching highest peaks of performance for the first time in 39 years history of the Corporation. It has been **TURN AROUND YEAR FOR THE CORPORATION.***

2. CORPORATE PROFILE :

Your Corporation was set up in 1972 by the Government of India under Section 25 of Companies Act, 1956, with an objective of benefiting the disabled persons to the maximum extent possible. This was proposed to be done by manufacturing rehabilitation aids for persons with disabilities and by promoting, encouraging and developing the availability, use, supply and distribution of artificial limbs and other rehabilitation aids and appliances to the disabled persons of the country. Profitability is not the motive of the operations of the Corporation and its main thrust is on providing better quality Aids & Appliances to a much larger number of disabled persons at reasonable cost.

3. CAPITAL STRUCTURE :

The authorized capital and paid up capital of the Corporation as on 31st March 2012 were Rs.300.00 lakh and Rs.196.50 lakh respectively. The entire paid up share capital of your Corporation is held by Government of India in the name of the President of India.

4. HIGHLIGHTS OF FINANCIAL AND PHYSICAL PERFORMANCE :

During the year 2011-12, ALIMCO has achieved a HIGHEST EVER turnover of Rs. 81.83 crores as against Rs. 57.64 crores during 2010-11, registering a **42% increase** over the turnover of previous year.

The company could earn a surplus of Rs.11.70 crores during the year under report as against surplus of Rs.5.51 crores earned during 2010-11 registering a **growth of 112.34% in surplus.** Due to increase in around performance of the Corporation, the profitability of the Corporation has improved tremendously.



5. The quantitative figures showing financial and physical performance of the Corporation for the year 2011-12 are given below :

(Rs. in crores)

Sl. No.	Particulars	2010-11 Achievements	MoU Excellent Targets 2011-12	2011-12 Achievements	% Increase over 2010-11
A	<u>FINANCIAL PERFORMANCE</u>				
(i)	Turnover	57.64	71.66	81.83	42
(ii)	Value of Production	60.47	71.66	82.86	37
(iii)	Surplus	5.51	6.05	11.70	112
(iv)	Accumulated Losses	3.37	---	---	---
(v)	Net Worth	(-) 1.41	4.64	10.29	1170
(vi)	No. of camps held	925	---	975	5
(vii)	No. of beneficiaries served	78,227	---	99,141	27

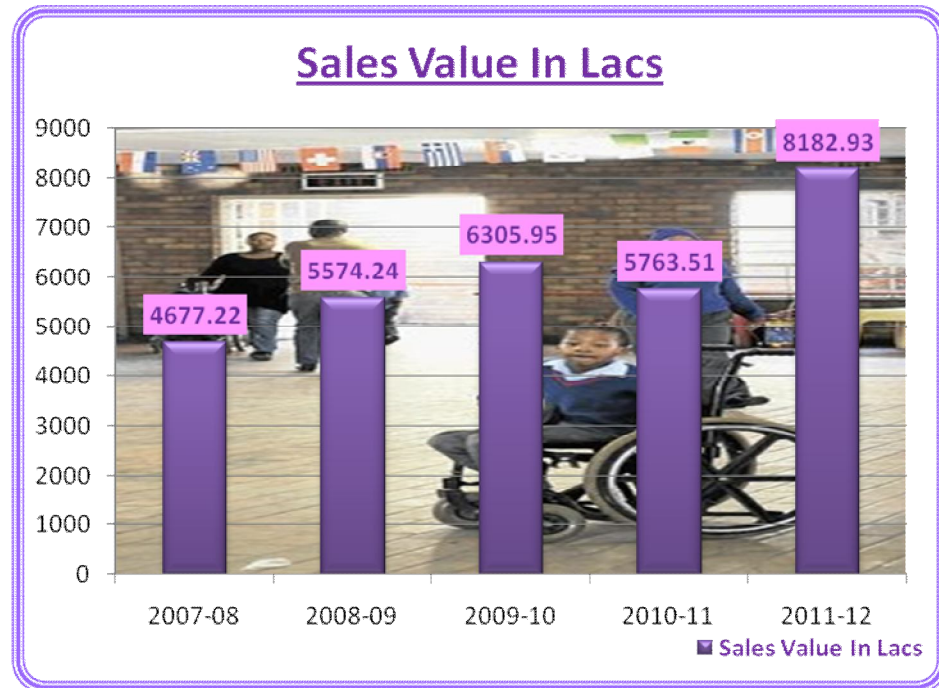
B	<u>PHYSICAL PERFORMANCE</u> (Physical Performance of Important Products)	Production (in Nos)		% increase over 2010-11	Sales (in Nos.)		% increase over 2010-11
		2010-11	2011-12		2010-11	2011-12	
(i)	Tricycle	36,540	50,867	39	36,540	58,543*	60
(ii)	Wheel Chairs	21,921	33,813	54	21,922	31,276	43
(iii)	Crutches	26,800	25,171	(-) 6	26,800	48,679 *	82
(iv)	Prosthetic Upper	20,868	15,041	(-) 28	7,466	8,971	---
(v)	Prosthetic Lower	5,752	6,673	16	1,470		
(vi)	Orthotic Lower (Kits)	23,030	24,780	8	20,857	29,300 *	40
(vii)	Hearing Aids (Pocket Type)	13,900	20,480	47	26,305	17,268	36
(viii)	Digital Type Hearing Aids (BTE)	12,405	13,252	7		18,513 *	

* The excess of sales over production is due to sale out of past years stock.

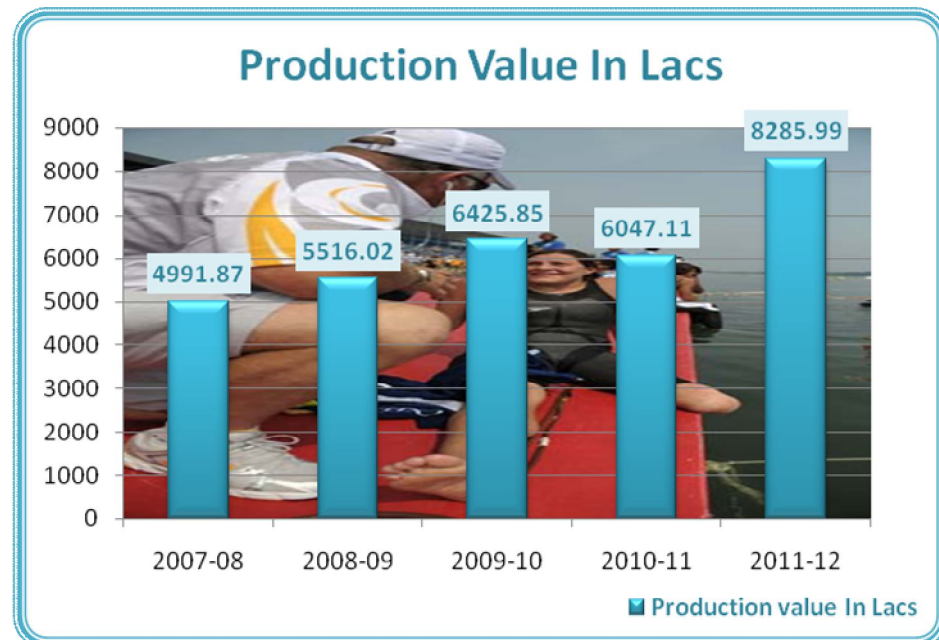
For the first time in the history of the Corporation, it has achieved more than 100% Capacity Utilization.



COMPARATIVE VALUE OF SALES DURING FIVE PRECEEDING YEARS



COMPARATIVE VALUE OF PRODUCTION DURING FIVE PRECEEDING YEARS





PRODUCTIVITY GALLOPING HIKE IN FIFTEEN YEARS

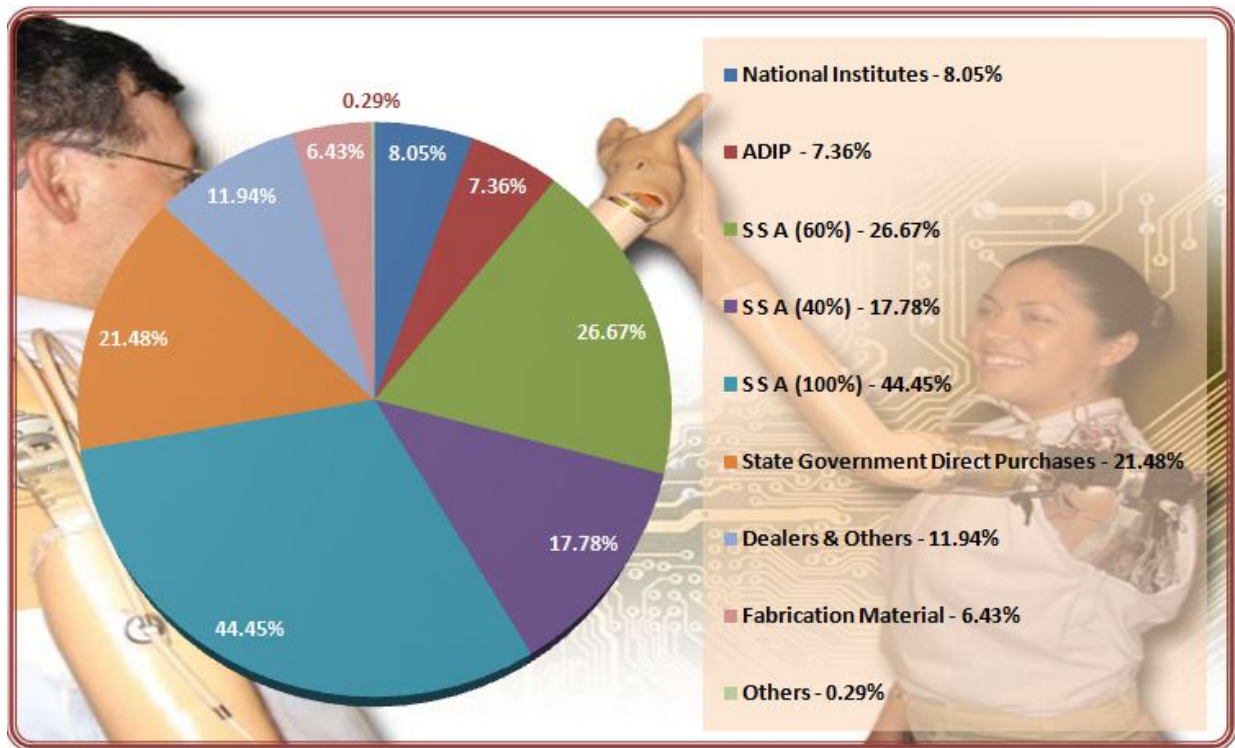


6. SALES PATTERN :

The sales pattern during the year 2011-2012 was as under :

Buyer Category	Sales (Rs. in crores)	% age Share
National Institutes	6.59	8.05 %
ADIP	6.02	7.36 %
S S A (60%)	21.82	26.67 %
S S A (40%)	14.55	17.78 %
S S A (100%)	36.37	44.45 %
State Government Direct Purchases	17.58	21.48 %
Dealers & Others	9.77	11.94 %
Fabrication Material	5.26	6.43 %
CPSUs under CSR activity	0.10	0.29%
Bilateral	0.08	
Export	0.03	
Scrap	0.03	
TOTAL	81.83	

SALES PATTERN :

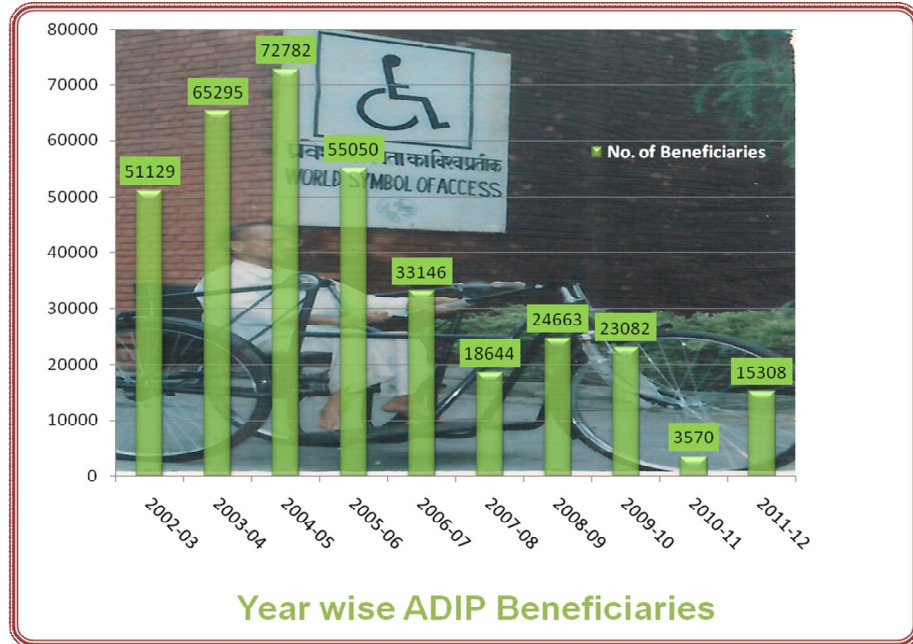


7. EXPORT EFFORTS :

The Corporation has exported its products to Nepal and Indonesia in the year 2011-12 for a total value of Rs. 3.47 lakhs in comparison to the total export for a value of Rs.6.68 lakhs in the year 2010-11.

8. ADIP CAMPS :

The Corporation has covered 11,396 (74.4%) male and 3,912 (25.6%) female beneficiaries (total 15,308 beneficiaries) in the financial year 2011-12 under ADIP scheme through 94 No. of camps covering the States of Arunachal Pradesh, Assam, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Orissa, Tripura, Uttar Pradesh and West Bengal. Out of 94 No. of camps, 19 camps were held in the North Eastern States covering 2,589 (76.9%) male and 778 (23.1%) female beneficiaries (total 3,367 beneficiaries), as against 3,264 (91.4%) male and 306 (8.6%) female beneficiaries (total 3,570 beneficiaries) served through 54 camps conducted in 2010-11.



Hon'ble Cabinet Minister for Social Justice and Empowerment, Govt. of India, Shri Mukul Wasnik, had a test drive of Tricycle before distribution to disabled persons on 02nd July 2011 at Nagpur.

Hon'ble Minister of Coal, Statistics & Programe Implementation Shri Sri Prakash Jaiswal, Shri G. Narayan Rao, CMD ALIMCO, Shri S.K. Saxena, GM(W&P), and Sri M.C. Dubey, GM(MMR), distributing Tricycles at 'Hindustan Mela' Camp at Kanpur on 15th April 2012





Hon'ble M P Shri P.L.Punia distributing Tricycles at Barabanki Camp.

Hon'ble Minister of Finance Shri Pranab Mukharjee addressing the gathering during distribution Camp at Sagardighi, Murshidabad, W.B. Also seen on dais are Shri Mukul Wasnik, Hon'ble Minister of Social Justice & Empowerment and Shri G. Narayan Rao , CMD ALIMCO.



Shri S.K. Pathak, Dy. Chief Labor Commissioner (Central), Shri G. Narayan Rao, Shri S.K Saxena & Shri M.C. Dubey are seen on dais on the occasion of Distribution Camp of Aids & Appliances



Hon'ble Minister of State for Railways Shri Bharat Singh Solanki and Hon'ble Minister of Health & Family Welfare Shri Jai Narain Vyas (Gujrat) are seen on the dais.

Shri Kamal Prakash, Joint Sales Tax Commissioner, Mrs. Madhurima Mitra, Asstt. Sales Tax Commissioner, Shri G. Narayan Rao, CMD, Shri S.K Saxena, GM(WP), Shri M.C. Dubey, GM(MMR), Shri A.K Srivastva, Sr. Manager, are seen on dais for distributing Aids & Appliances at APOC, Kanpur

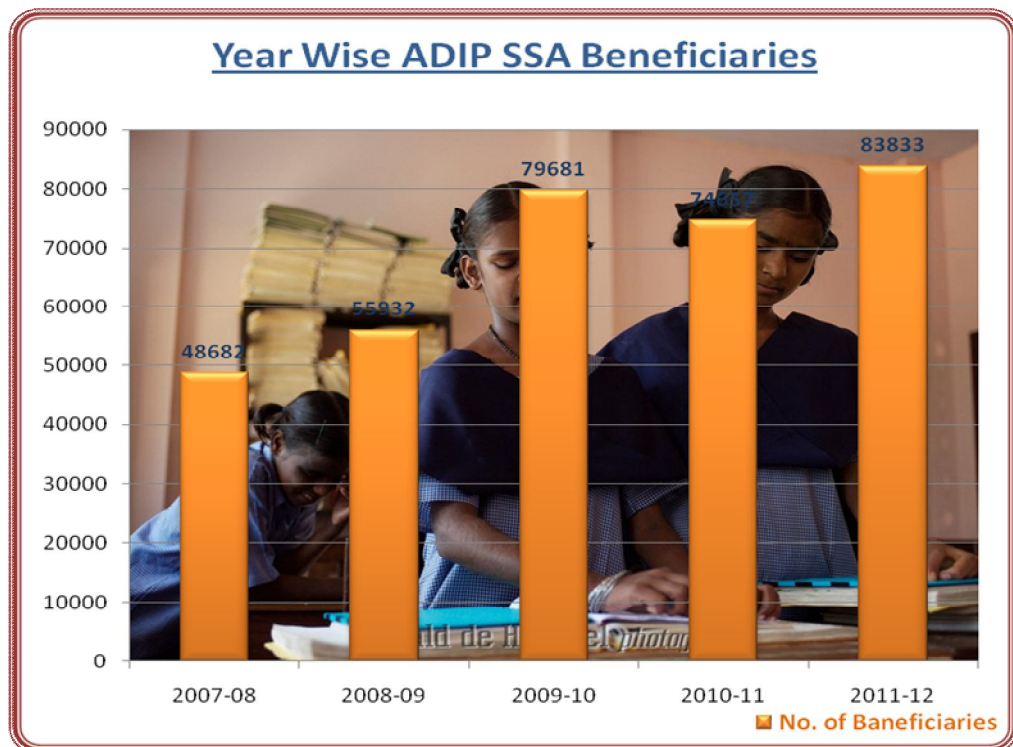


Shri S.K. Pathak, Chief Labor Commissioner (Central), Shri M.K. Chaudhary, Regional Labor Commissioner (Central), Shri G. Narayan Rao, Shri S.K. Saxena, Shri M.C. Dubey, distributing Aids & Appliances at APOC, Kanpur



9. **ADIP-SSA CAMPS** :

Under ADIP-SSA scheme, 881 camps were organized in which 53,624 (64%) male and 30,209 (36%) female (total 83,833) children with special needs in the age group of 06-14 year were served covering 19 States, as against 53,747 (72%) male and 20,910 (28%) female (total 74,657) CWSN served in 871 camps during 2010-11.



10. **GENDERWISE ADIP AND ADIP-SSA CAMPS** :

In total, ALIMCO has organized 975 camps and covered 65,020 (65.6%) male and 34,121 (34.4%) female beneficiaries (total 99,141 beneficiaries) under the ADIP as well as ADIP-SSA scheme in 2011-12 as against 57,011 (72.9%) male and 21,216 (27.1%) female (total 78,227 beneficiaries) covered in the year 2010-11 through 925 No. of camps, registering an improved performance of 27% over previous year and also showing improvement in coverage of women beneficiaries.

11. **BILATERAL ACTIVITIES** :

Corporation has cleared and handled 675.16 MT of relief cargo imported under Indo-US/UK/Sweden/Swiss/Germany Bilateral Agreement during the year 2011-12 as against 401.96 MT cargo cleared and handled during the year 2010-11.

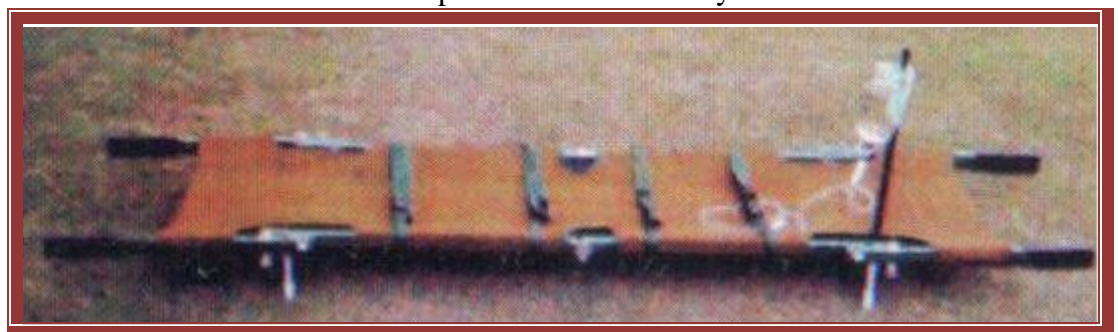
12. NEW PRODUCTS DEVELOPMENT :

Following products have been taken up for design & development during 2011-12 :

- (a) An Adjustable Bedside Multi-utility Table developed by an entrepreneur of Mumbai was presented before the Program Advisory and Monitoring Committee on Technology Intervention for differently disabled and elderly persons (PAMC-TIDE) constituted by Ministry of Science and Technology. In the meeting held at IIT, Delhi, in November 2011, the aforesaid Table was considered to be useful to the society. ALIMCO is an expert member on the aforesaid committee. The committee requested the Principal Investigator (PI) of this product to consult ALIMCO for refinement in the design and modus operandi for further mass production and sale in the market. One raw sample of Bedside Multi- utility Table was provided by the PI to ALIMCO. ALIMCO has already made certain modifications and developed a new Bedside Multi-utility Table. This has been offered to PI for further evaluation and trial.



- (b) On request of DRDO, ALIMCO developed a three fold Light Weight Folding Stretcher weighing about 7 Kg. which can be carried as a bag pack by Indian Soldiers during disaster and other eventualities. Such a Folding Stretcher is also considered to be useful for PwDs and Senior Citizens particularly during natural calamities and disasters. Six samples of Stretchers have been given to Indian Army for field trail particularly on high altitude territories. The report from Indian Army is awaited.



- (c) ALIMCO has tied-up with CSIO (CSIR), Chandigarh, for development of Myo-Electric Arm for Above Elbow and Below Elbow amputees and also Electronic Knee for Above Knee Amputees. The aforesaid products have been developed successfully and are likely to be mass produced and sold at a reasonable price which will be of great benefit to PwDs in our country, since these devices are presently imported from developed countries at exorbitantly high prices. These appliances would be fitted to the patients referred by ALIMCO to ascertain feed back, before freezing the design.



- (d) WHO (World Health Organization) has issued guidelines for sturdy Wheel Chair to be developed for semi-urban areas. ALIMCO is in the process of obtaining models of such Wheel Chairs and develop cost effective models for mass production indigenously using reverse engineering methods so as to make these Wheel Chairs available in the country at a reasonable price.



13. ISO 9001 : 2008 CERTIFICATION :

The Corporation has updated its Quality Management System Documents and successfully switched over to ISO 9001:2008 version and certification granted by BIS. The scheduled Surveillance Audit is also accomplished satisfactorily.

The renewal requirement of ISO 9001:2008 for the further period of three years with effect from 29th July 2011 to 28th July 2014 has been successfully met and license granted to us.



14. **ISI MARKING ON ALIMCO PRODUCTS** :

ALIMCO holds Licence by BIS for IS marking on 17 categories of products totaling 92 products. All the Licences are renewed by BIS on year to year basis. The Corporation has also applied for formulation of Indian Standard in case of Behind The Ear (BTE) Hearing Aid–Digital, Surgical Boots, and Motorised Wheel Chair developed and produced by ALIMCO.

15. **INDUSTRIAL RELATIONS** :

The working atmosphere of the company remained cordial during 2011-12. Two Memorandum of Settlements have been entered into between Management and Union on the matter of (i) Wage Revision and (ii) Perquisites.

16. **WORKERS' PARTICIPATION IN MANAGEMENT** :

With a view to have active participation of workmen in management, two Shop Level Committees and three Plant Level Committees with equal representation of workers and management are functioning in the Corporation. These Committees function as per guidelines given by the Government directives on the subject.

17. **WORKERS' WELFARE** :

Further, to look after employees' welfare, your Corporation has taken up series of welfare measures e.g. holding meetings of management with trade union office bearers, award of service gifts on completion of 15 years, 20 years and 25 years of service, and distribution of protective clothing.

18. **MANPOWER** :

The directives given by the Government of India from time to time with regard to the recruitment of SC, ST and OBC are being fully observed in your Corporation. Total number of employees as on 31 March 12 stood at 382 including 70 officers.

19. **DISABLED EMPLOYEES** :

ALIMCO as a model employer especially for the disabled, employs 32 disabled personnel out of whom 02 are visually handicapped, 04 are hearing handicapped and 26 are orthopaedically handicapped which today constitutes 8.37% of its total strength.



20. **EX-SERVICEMEN** :

As per the policy, due reservation for recruitment of Ex-servicemen exists. At present your company has 05 Ex-servicemen on its rolls as on 31.03.12.

21. **SC/ST/OBC EMPLOYEES** :

In accordance with Government of India directives in the matter of reservation for Scheduled Caste, Scheduled Tribe and Other Backward Classes, the Corporation has been making sustained efforts to ensure that the posts of SC/ST/OBC are filled up by candidates belonging to respective category only. The Corporation has also launched and completed Special Recruitment Drive for SC/OBC in the year under report. As on 31.03.12 there is no backlog in any of the category.

22. **INTERNATIONAL DAY FOR PERSONS WITH DISABILITIES** :

Your Corporation celebrated “International Day for Persons with Disabilities” in December 2011 in recognition of contribution being made by the disabled employees in the progress of the Corporation. Shri G. Narayan Rao, CMD, ALIMCO, appreciated disabled employees for their outstanding work. Mementos were distributed to 32 disabled employees by the CMD in recognition of their services to the Corporation.



23. OFFICIAL LANGUAGE (HINDI) IMPLEMENTATION :



All officers and employees of the Corporation are having working knowledge of Hindi and policies of the Government are being implemented. To promote the use of Hindi, an Official Language Implementation Committee (OLIC) has been constituted and it is functioning smoothly. Various incentive schemes proposed by the Government of India under the Official Language Implementation Act or otherwise are in force in the Corporation.

In order to encourage use of Hindi in day to day official working, a Hindi Fortnight (Pakhwara) was organized in the Corporation from 14 Sep 11 to 29 Sep 11. Different types of competitions in Hindi and workshops were organized during Hindi Fortnight and prizes were awarded to winners by the Chairman & Managing Director on the occasion of conclusion of Hindi Fortnight.



24. HUMAN RESOURCE DEVELOPMENT :

Arranging proper training to the employees in your Corporation is a continuous process throughout the year. During the year under report, 100 employees of your Corporation attended professional/technical training programmes/workshops.

25. PARTICULARS OF EMPLOYEES :

Information pursuant to Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules 1975, is given at Annexure – I.

26. VIGILANCE ACTIVITIES :



The Corporation has proper vigilance machinery headed by the Chief Vigilance Officer to ensure transparency and accountability in its functioning besides promoting a culture of honesty among its employees. Some of the major activities undertaken by the Corporation in respect of vigilance are as under :

- (a) Transparent Open Tender Procedure with publication in news papers as well as website of ALIMCO including opening of tender in the presence of tenderers.
- (b) Surprise and routine checks in the departments identified as sensitive



- (c) The security set up at Headquarters as well as its ancillary units has been established appropriately.
- (d) Regular security checks are carried out at strategic places like Main Gate, APOC, Warehouse, canteen and other important installations.



Vigilance Awareness Week was organized in the Corporation from 31 Oct 11 to 05 Nov 2011, which received encouraging response from all the employees. All the employees took a pledge to strive continuously in order to bring about integrity and transparency in all spheres of the activities and work for eradication of corruption in all spheres of life. Debate competition on the topic “Preventive Vigilance Acts As Strong Deterrent Against Corruption” and seminar on “Participative Vigilance” were organized during the vigilance awareness week and winners of the debate competition were awarded.



27. CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Proper utilization and power factor viz. 0.957 to 0.973 was maintained during the year which resulted in optimal utilization at minimum energy consumption level. Cost of energy per unit of production value in the year 2011-12 was 0.0134 Paise. As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, the relevant data pertaining to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure – 2, forming part of this report.

28. AWARDS :



1. The Corporation has received the Award for “**Innovation in Manufacturing**” under “**Best Class in Manufacturing**” Awards 2011-12 for “**Excellence in Manufacturing** in Private and Public Sector” from “Stars of the Industry Awards and Indira International Innovation Summit ” on 13th January 2012 at Pune.



2. **CMD Shri G. Narayan Rao** has been considered as **Role Model of the Profession** and presented **“ICON of the Year 2012”** Award by Institute of Cost Accounts of India (ICAI) during its National Convention held on 15.03.2012 at Vigyan Bhawan, New Delhi.



3. **CMD Shri G. Narayan Rao** has been adjudged as **“Best Chief Executive Gold”** under **Rajiv Gandhi National Memorial Awards 2011-12** by Public Sector Today, a National Monthly Magazine of Central Public Sector Undertaking.

29. **DIRECTORS' RESPONSIBILITY STATEMENT** :

In pursuance of provisions of Section 217 (2AA) of the Companies Act, 1956, Directors of your Corporation confirm :

- (i) that in preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures,

affairs of the company at the end of the financial year and of the profit or loss of the company for that period.

- (ii) that the Directors had selected such accounting policies 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

- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding assets of the company and preventing and detecting frauds and other irregularities.
- (iv) that the Directors had prepared the annual accounts on a going concern basis.

30. ACTITIVIES UNDER CORPORATE SOCIAL RESPONSIBILIES :

The Corporation being a Section 25 Company, is exempted from CSR obligations. However, as there have been guidelines issued by DPE on CSR activities to be taken up by all profit making CPSUs, which are mandatory in nature, the Corporation has taken initiative and started



approaching all profit making CPSUs to take up their CSR obligations through ALIMCO, as ALIMCO has been working only for social cause for the past 39 years. Against this initiative, under CSR Programme, to start with, Hindustan Aeronautics Ltd. (HAL), Kanpur, has organized a camp for distribution of Aids & Appliances for PwDs at Vocational Rehabilitation Centre (VRC), Kanpur, in association with ALIMCO on 12th March, 2012. Around 300 school going children with special needs were benefited.





31. **REPORT ON CORPORATE GOVERNANCE** :

(a) **Company's philosophy on guidelines on Corporate Governance** :

ALIMCO works on the philosophy that by following the guidelines in its functioning, the Corporation would protect the interest of shareholders and relevant stakeholders and also it would bring more transparency and accountability in its functioning.

(b) **Board of Directors** : During the year 2011-12 composition and category of Board of Directors of your Corporation is as under :

- i) Shri G. Narayan Rao : Functional Director
Chairman & Managing Director
- ii) Shri A.N. Jha, IAS : Government Nominee
Joint Secretary & Financial Adviser,
Ministry of Social Justice and
Empowerment.
- iii) Shri Pankaj Joshi, IAS : Government Nominee
Joint Secretary(DD),
Ministry of Social Justice and
Empowerment.

(c) **Attendance of Directors at the Board Meetings** :

During the year 2011-12, three Board Meetings were held which were attended by Shri G. Narayan Rao, Shri A.N. Jha, IAS and Shri Pankaj Joshi, IAS.

(d) **Membership of other Boards or Board Committees** :

- i) Shri G. Narayan Rao is the Member Ex-officio on the Boards of National Handicapped Finance Development Corporation (NHFDC), National Institute for Orthopaedically Handicapped (NIOH) and Swami Vivekanand National Institute of Rehabilitation, Training and Research (SVNIRTAR).
- ii) Shri A.N. Jha, IAS, is the member of the Board of Directors of National Schedule Caste Finance Development Corporation (NSCFDC).
- iii) Shri Pankaj Joshi, IAS, is the member of the Board of Directors of National Handicapped Finance Development Corporation (NHFDC).

(e) **No. of Board Meetings held, dates on which held** : During the year 2011-12, three board meetings were held on 24th November 2011, 12th January 2012 and 7th March 2012.



- (f) **Audit Committee** : ALIMCO is waiting for appointment of Independent Directors so that Audit Committee is constituted. Induction of Independent Directors on the Board is pending with the Ministry of Social Justice and Empowerment.
- (g) **Remuneration Committee** : ALIMCO is waiting for appointment of Independent Directors so that Remuneration Committee is constituted. Matter of induction of Independent Directors on the Board is pending with the Ministry of Social Justice and Empowerment.
- (h) **General Body Meetings** :
- i) **Date, Time and Venue of the last three AGMs** :
- (a) 24 Sep 09 at 1100 Hrs at New Delhi
- (b) 30 Sep 10 at 1130 Hrs. at New Delhi (Meeting was adjourned due to non-receipt of comments from CAG till that time. However, adjourned meeting was held on 27 Oct 10 at New Delhi).
- (c) 20 Dec 11 at 1100 Hrs at New Delhi (Due to retirement/transfer of other government officials, permission was sought from Ministry of Corporate Affairs to hold the AGM by 31 Dec 11. Permission was granted by Ministry of Corporate Affairs).
- ii) No special resolutions were passed in the previous three AGMs.
- (i) **Disclosures** : Apart from the disclosures covered in Directors' Responsibility Statement, suitable disclosures are also made in the significant accounting policies and notes to accounts forming part of the Balance Sheet.
- j) **Whistle Blower Policy** : Though the Corporation do not have formally structured Whistle Blower Policy, as on date, the Corporation encourages an open-door policy where employees have access to the Top Management Team headed by CMD. Any unethical conduct is to be brought to the attention of immediate superior who is required to report the same to Senior Manager (Pers & Admn) who then apprises to the Top Management.

32. **AUDITORS AND AUDITORS' REPORT** :

M/s. Sanjeev Bhargava & Associates, Chartered Accountants, were appointed as Statutory Auditors of the Corporation for the year 2011-2012. Your Board of Directors acknowledges their guidance and valuable services, help and co-operation and for the timely completion of Annual Accounts.



Corporation's comments on Statutory Auditor's qualification are placed at Annexure-3. Rest of the observations in Auditor's Report read with notes of the accounts are self explanatory and in the opinion of the Board do not call for any further clarification or explanation.

No comments have been made by Comptroller and Auditor General of India. Copy of the correspondence received from Principal Director of Commercial Audit and Ex-officio Member Audit Board-II, New Delhi, in this regard is placed Annexure-4.

33. **COMPLIANCE CERTIFICATE** :

Compliance Certificate obtained from the Practicing Company Secretary confirming compliance with the various provisions of the Companies Act, 1956, as mentioned therein, is attached at Annexure-5 forming part of this report.

34. **ACKNOWLEDGEMENTS** :

Your Board of Directors also acknowledges the valuable co-operation and support extended by the Government of India., Ministry of Social Justice and Empowerment.

Your Board of Directors places on record their appreciation for the services rendered by the ALIMCO family members towards the progress of their Corporation.

Your Board of Directors also takes this opportunity to express their gratitude to their esteemed customers, suppliers, contractors and associates for their trust and confidence in the products marketed by the Corporation.

For and on behalf of the Board of Directors

G. NARAYAN RAO
CHAIRMAN & MANAGING DIRECTOR

**ANNEXURE – 1**

Particulars of Employees under Sub-Section 2 (A) of Section 217 of the Companies Act, 1956, read with Companies Act (Amendment Rules), 1990, and forming part of the Report of the Directors for the year ended 31st March, 2012.

Sl. No.	Name/Age (Years)	Designation/ Nature of Duties	Gross Remuneration	Qualification and Experience	Date of Commencement of Employment	Last Employment before joining the Corporation
1	2	3	4	5	6	7
<p>EMPLOYED THROUGHOUT THE FINANCIAL YEAR AND IN RECEIPT OF REMUNERATION OF NOT LESS THAN RS.24,00,000/- IN THE AGGREGATE FOR THE YEAR OR EMPLOYED FOR PART OF THE YEAR DRAWING NOT LESS THAN RS.2,00,000/- PER MONTH.</p> <p>----- N I L -----</p>						

Note : Remuneration as above includes Pay, Allowances, Rent, Leave Encashment, Leave Travel Concession and Medical Reimbursement as applicable.

**ANNEXURE – 2****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :****SECTION 217 (1) (e) OF COMPANIES ACT, 1956, THE COMPANIES DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS RULES, 1988****(A) CONSERVATION OF ENERGY :****(i) Energy Conservation Measures taken :**

The factory operates in only one shift and the highest recorded demand during the year 2011-12 being 554 kwh, total energy consumption is reasonably low. Considering the load pattern and equipment in use during the year we emphasized a proper utilization and a power factor between 0.957 to 0.973. This has resulted in optimal utilization at minimum energy consumption level.

(ii) Additional investment and proposals, if any, being implemented for reduction of consumption of energy :

Considering the initial investment on energy consideration measures in comparison to very low gain, we plan to concentrate on most effective use of the available energy only.

(iii) Impact of the measures at (i) & (ii) above for reduction of energy consumption and consequent impact on the cost of the production of goods :

(a) With the implementation of measures indicated above we have been able to save considerable amount of energy.

(b) Cost of energy consumption per unit of production value in the year 2011-12 was 0.0134 Paise

(iv) Total energy consumption :

9,15,051 kwh units were consumed during the year 2011-12 against 8,97,550 kwh units in the year 2010-11.

(B) TECHNOLOGY ABSORPTION :

Details are indicated in Form 'B'.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :**(i) Activities relating to export :**

This aspect has been referred in Directors' Report.

(ii) Total foreign exchange used and earned :

(a) Earning in Foreign Exchange : Rs. 3.47 Lacs

(b) Expenditure in Foreign Exchange

(i) CIF value of imports : Rs. 74.33 Lacs

(ii) Books, Periodicals and : Rs. NIL
Sales Promotion.

(iii) Travelling Expenses : Rs. NIL

FORM 'B'**DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION :****RESEARCH AND DEVELOPMENT :**

1. Specific areas in which R & D carried out by the company :

Corporation has a Design & Development Department which carries out product improvement and product development in Artificial Limbs and Rehabilitation Aids for the disabled.

2. Benefits derived as a result of the above R & D :

Details of products developed have been given in the Directors' Report.

3. Expenditure on R & D :

(a)	Capital	:	Rs. NIL
(b)	Recurring	:	Rs. 26,506.00
(c)	Total	:	Rs. 26,506.00
(d)	Total R&D expenditure	:	0.0033%

as percentage of total turnover.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

Development of new products as detailed in the Directors' Report is in progress.

2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. :

The products/units undertaken for development aim at improvement in quality/less maintenance cost/providing better products to disabled. Development of Adaptive Modular Active Leg (AMAL-2) aimed at performance close to natural leg utilizing sensors, gauges and micro-processors.

3. In case of imported technology (imported during the last five years reckoned from the beginning of financial year), following information is being furnished :

The Corporation has imported Earphone for manufacturing of Pocket Type Hearing Aids.

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**ANNEXURE – 3****CORPORATION'S COMMENTS ON STATUTORY AUDITORS REPORT**

Statutory Auditors Comments	Corporation's Remarks
<p>Valuation of Inventories AS-2</p> <p>Raw Materials, Stores & Spares, Loose Tools, Material in Transit and Work in Progress have been valued at weighted average cost as against cost or net Realizable value whichever is lower.</p>	<p>Raw Materials, Stores & Spares, Loose Tools, Materials in Transit and work in Progress have been valued at weighted average cost as per Company's accounting policy as spelt out at Point No.19.4 of Significant Accounting Policies at Note – 19.</p> <p>A suitable provision has, however, been made in the books of accounts towards redundant inventory since computation of net realizable value of each item of inventory was not practical.</p> <p>* All the other comments of statutory Auditors are adequately explained in Notes to Accounts and, therefore, needs no further explanations.</p>

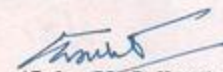
**ANNEXURE – 4****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA FOR THE YEAR ENDED 31 MARCH 2012.**

The preparation of financial statements of **Artificial Limbs Manufacturing Corporation of India** for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated **02.07.2012**

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619 (3) (b) of the Companies Act, 1956 of the financial statements of **Artificial Limbs Manufacturing Corporation of India** for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's report under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller
and Auditor General of India


(John K. Sellate)

Principal Director of Commercial Audit &
Ex-Officio Member Audit Board-IV

Place: New Delhi.
Date: 08 .08.2012

Ref. No.

Dated : 2/7/2012

AUDITORS' REPORT

To
**THE MEMBERS OF
ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR.**

We have audited the attached Balance Sheet of **ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA** as at 31st MARCH' 2012 and the Income & Expenditure Account, the Cash Flow Statement of the corporation for the year ended on that date, annexed thereto and signed by us under reference to this report, in which are incorporated accounts of Auxiliary Production Centers at Bengaluru, Bhubaneswar, Jabalpur and Chalon, accounts of Regional Marketing Centers at Kolkata, Mumbai, Delhi, Alimco Prosthetic & Orthotic Centre, Kanpur and Out Reach Centre, Guwahati : These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing and assurance standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that :-

- (1) As required by the Companies (Auditor's Report) Order, 2003 issued by the Government of India in terms of Section 227 (4A) of the Companies Act, 1956, the report on the matters specified in paragraphs 4 & 5 of the said Order are not applicable in case of the corporation in terms of clause (2) (iii) of the said order.

of. No.

Dated : 02/01/2012

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- (2) We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (3) In our opinion, proper books of account, as required by law have been kept by the corporation so far as it appears from our examination of those books, subject to our comments contained in Para 7 (g) (viii) below.
- (4) The Balance Sheet, Income & Expenditure Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (5) In our opinion, the Balance Sheet, Income & Expenditure Account and Cash Flow Statement referred to in this report comply in all material respects with the applicable Accounting Standards referred to under Sub-Section 3C of Section 211 of the Companies Act'1956 subject to *Valuation of Inventories Accounting Standard - 2 - Raw Materials, Stores & Spares, Loose Tools, Materials in Transit, and Work-in-Progress has been valued at weighted average cost as against cost or net realizable value which ever is lower.*
- (6) Vide Circular No. 8/2002 dated 22.03.2002 issued by the Department of Company Affairs, the directors of the government companies are exempted from applicability of the provisions of section 274(1) (g) of the Companies Act' 1956.
- (7) We further report that :-

(a) As per Note 19.4 of Note 19, the Significant Accounting Policies of the corporation, the inventories of work-in-progress, finished goods/ finished goods in transit have been valued at Lower of

Contd. ...3

Branches

- NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandewalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-23557001
NEW DELHI : 2. 174B/55, Niswahan, Karol Bagh, New Delhi - 110 005 • Phone : 26747260
AGRA : 3. S-7, Second Floor, Block 41/4B, Friends Tower Sanjay Place, Agra-282002 • Phone : 0562-4009343. 0562-7463720
JAIPUR : 4. Plot No.3, Industrial Nagar Mode, Tonk Road, Jaipur-302015 • Phone : 91-9839644771

Dated : 02/07/2012

No. .

-- 3 --

Standard Cost (Factory Cost) or Estimated Realizable Value. However, the standard cost is based on that arrived for the year 2007-2008 (P.Y.2007-2008).

- (b) In the view of the management the corporation is a company registered under the provisions of section 25 of the Companies Act'1956 and by virtue of these provisions is barred from distributing/transferring its income directly or indirectly to the members of the company. However, a loan was received by the corporation from the Government of India in past and was also repaid in previous years. Simple interest amounting to Rs.3952.87 Lacs (P.Y. Rs. 3952.87 Lacs) was though provided in books of accounts of the corporation in past but has not been paid till date. Further, no provision towards penal interest amounting to Rs.1085.08 Lacs (P.Y. Rs. 1026.91 Lacs) accrued and due till 31.03.2012 on said loan as per terms and conditions of the agreement has been made. In our opinion the corporation had violated the provisions of Article 3 of its Articles of Association by accepting interest bearing loan from its promoters' i.e. Government of India. (Refer Note No.3.1 of Note - 3).
- (c) A sum of Rs. 108.55 Lacs (P.Y. Rs. 108.55 Lacs) was provided by the corporation in previous year towards arrears of wage revision for the period from 01.01.2007 to 31.03.2008 whereas as per Presidential Directives sanction was awarded for implementation of wage revision with effect from 01.04.2008. Excess provision of Rs. 108.55 Lacs towards arrears of wage revision for the period from 01.01.2007 to 31.03.2008 made in previous financial year is still subject to Presidential Directives and approval by Administrative Ministry. The same has neither been paid nor written back even though no presidential directive/administrative approval has been received till date. Thus liabilities are over stated by Rs. 108.55 Lacs and Income is under stated by Rs. 108.55 Lacs. (Refer Note No. 4.2 of Note - 4).

Contd. ... 4

Branches

NEW DELHI : 1. 202, Anaricall Bazar, Cycle Market, Jhandowalan Ext. Phase II, New Delhi - 110 055 • Phone : 011-23557111
NEW DELHI : 2. 1748/55, Nainitalan, Karol Bagh, New Delhi - 110 005 • Phone : 23152500
AGRA : 3. S-7, Sector 1, Block 41/4B, Friends Tower Sanjay Place, Agra-202002 • Phone : 0562-4009343, 463720
Jaipur : 4. 10, Park Road, Jaipur-302015 • Phone : 91-9839844771

f. No.

Dated : 02/07/2012

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(d) An adhoc provision of Rs. 55.97 Lacs (P.Y. Rs. 36.93 Lacs) during the year has been made towards redundancy of stocks of Raw Materials, Store & Spares & Loose Tools which have not moved since last 3 years..The total provision as at 31.03.2012 is Rs. 92.90 Lacs (P.Y. Rs. 36.93 Lacs). In previous year the management had decided to get review its net realizable value by a internal assessment team. No such assessment has been done by the management till date. The assets are under stated to the extent of net realizable value of these redundant stocks and income is under stated by similar amount. In absence of required information amount of impact could not be ascertained. (Refer Note No. 9.1 of Note - 9).

(e) A total adhoc provision of Rs. 41.84 Lacs (P.Y. Rs. 15.87 Lacs) has been made towards Post Retirement Medical Benefits to retired employees @ 1.5% of profit before tax till 31.03.2012 subject to pending implementation of DPE guidelines contained in DPE Office Memorandum Nos. 2(81)/08-DPE (WC)GL-XVI/2009 dated 08.07.2009 and 2(81)/08-DPE (WC)GL-XV/2011 dated 20.07.2011 . (Refer Note No. 7.1 of Note - 7).

(f) An adhoc provision of Rs. 128.29 Lacs (P.Y. Rs. 57.34 Lacs) @ 3% of current year profit before tax + 10% of incremental profit subject to maximum of 5% of current year profit before tax for the financial years 2007-2008 to 2011-2012 has been made towards Performance Related Pay to the employees pending implementation of DPE guidelines contained in DPE Office Memorandum Nos. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26.11.2008, 2(70)/08-DPE(WC)-GL-IV/09 dated 09.02.2009, 2(70)/08-DPE(WC)-GL-VII/09 dated 02.04.2009 & (21)/11-DPE(WC)GL-XIII/2011 dated 06.07.2011. (Refer Note No. 7.2 of Note - 7).



Contd. ...5

Branches

- NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandewalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-23597111
NEW DELHI : 2. 1748/55, Nalwala, Karol Bagh, New Delhi - 110 005 • Phone : 25747260
AGRA : 3. S-7, Second Floor, Block 41/4B, Friends Tower Sanjay Place, Agra-282002 • Phone : 0562-4009343, 9415130137, 453720
JAIPUR : 4. Plot No. 3, Gandhi Nagar Mode, Tonk Road, Jaipur-302015 • Phone : 91-9839844771

Ref. No.

Dated : 02/7/2012

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(g) We draw attention to :-

- (i) Note No. 6.2 of Note - 6 and Note No. 10.2 of Note - 10 regarding revised accounting policies with regard to grants received under ADIP and ADIP - SSA schemes where utilization has been recognized against proof of acknowledgement from consignee irrespective of the fact that UC's received are yet to be accounted for and materials dispatched is yet to be distributed. As per terms & conditions of utilization of grants, the grants shall be treated as utilized only on fulfillment of the purpose for which the grant was given i.e. distribution of aids and appliances to the beneficiaries. In case of dispatch of material, since the distribution has not taken place, the grants can not be treated as utilized. Thus, other current liabilities are under stated by Rs. 1542.66 Lacs and sundry debtors are under stated by Rs. 1542.66 Lacs.
- (ii) Note No. 7.3 of Note - 7 regarding provision for property tax payable to Nagar Maha Palika, Kanpur.
- (iii) Note No. 8.1.2 of Note - 8 regarding no provision for municipal taxes and other charges on APC Bangalore Land for the period from 2004-05 to 2011-12 as the amount is indeterminate.



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Branches

NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandowalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-23557511

NEW DELHI : 2. 1740/55, Haveli, Karol Bagh, New Delhi - 110 005 • Phone : 25747250

AGRA : 3. S-7, Second Floor, Block 414B, Friends Tower Sanjay Place, Agra-202012 • Phone : 0562-4009343, 9897463720

Ref. No.

Dated : 02/07/2012

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- (iv) *Note No. 8.1.3 of Note - 8 regarding non capitalization of assets at Auxiliary Production Centre, Chanalon, Punjab and regarding resuming production activities. Due to non capitalization of assets, depreciation has not been charged and proportionate preliminary and pre-operative expenses have not been written off. To this extent fixed assets are over stated and income is also over stated. Amount indeterminate in absence of classification of assets and desired information.*
- (v) *Note No. 8.1.4 of Note - 8 regarding registration formalities of Land of ALIMCO Outreach Centre, Guwahati.*
- (vi) *Note No. 8.1.5 of Note - 8 regarding registration formalities of Land of Auxiliary Production Centre, Kaimur, Bihar.*
- (vii) *Note No. 8.1.6 of Note - 8 regarding registration formalities of Shed of Auxiliary Production Centre, Bhubaneshwar, Orrissa.*
- (viii) *Note No. 8.2.1 and 8.2.2 of Note - 8 regarding maintenance of Fixed Asset Register and physical verification of Fixed Assets.*
- (ix) *Note No. 8.3 of Note - 8 regarding impairment of Asset.*
- (x) *Note No. 9.1 and 9.2 of Note - 9 regarding valuation and physical verification of Inventories and provision against redundancy in inventories.*

Con d. ...7

Branches

NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandewalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-2355 501
NEW DELHI : 2. 1748/55, Naiwan, Karol Bagh, New Delhi - 110 005 • Phone : 257-17260
AGRA : 3. S-7, Second Floor, Block 41/4B, Friends Tower Sanjay Place, Agra-202002 • Phone : 0562-4009343, 9837463720
JAIPUR : 4. Plot No. 3, Gandhi Nagar Mode, Tonk Road, Jaipur-302015 • Phone : 91-9839844771

f. No.

- 7 -

Dated : 02/07/2012

(xi) Note No. 13.1 of Note - 13 regarding adjustment of contractually reimbursable expenses from advance received without budget provision by the ministry.

(xii) Note No.18.1 of Note - 18 regarding provision against doubtful sundry debtors.

(xiii) Note No. 20.6 of Note - 20 regarding segment information.

(xiv) Note No. 5.1, 6.3, 10.2 & 12.4 of Note Nos. 5, 6, 10 & 12 regarding confirmation of balances in personal accounts, sundry debtors, sundry creditors, contract accounts, earnest money deposit, security deposit and loans & advances.

(8) We further report that the aggregate impact resulting out of our observation in paras 5 and 7 (g) (i) to (xiv) above on the Income & Expenditure Account and Balance Sheet could not be quantified by us as the same has not been ascertained by the corporation.

(9) Subject to above, in our opinion, and to the best of our information and according to the explanations given to us, the Balance Sheet, Income & Expenditure Account and Cash Flow Statement referred herein above read with the Significant Accounting Policies and Notes thereon appearing in Note No. 19 & 20 give the information required by the Companies Act 1956, to the extent applicable, and in the manner so required and also give a true and fair view, in conformity with the accounting principles generally accepted in India:-

(i) In case of the Balance Sheet, of the State of Affairs of the Corporation as at 31st March 2012;

Contd. ...8

Branches

NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandewalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-23557501

NEW DELHI : 2. 1748/55, Nahwalan, Kirool Bagh, New Delhi - 110 005 • Phone : 25747260

AGRA : 3. S-7, Second Floor, Block 41/4B, Friends Tower Sanjay Place, Agra-282002 • Phone : 0562-4009343, 9897463720

JAIPUR : 4. Plot No. 3, Gandhi Nagar Mode, Tonk Road, Jaipur-302015 • Phone : 91-9839844771

No.

Dated : 02/07/2012

-- 8 --

- (ii) In case of the Income & Expenditure Account, of the Excess of Income over Expenditure of the Corporation for the year ended on that date; and
- (iii) In case of Cash Flow Statement, of the receipts and payments during the financial year ended on that date.

PLACE : KANPUR
DATED: 02.07.2012

FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS
CAG EMP. NO. CR1283

FRN-003724N
KANPUR
CA. MUKUL BHARGAVA
PARTNER
MEMBERSHIP NO. 072757

Branches

- NEW DELHI : 1. 202, Anarkali Bazar, Cycle Market, Jhandewalan Ext. Phase-II, New Delhi-110 055 • Phone : 011-23571111
- NEW DELHI : 2. 1748/55, Naiwalan, Karol Bagh, New Delhi - 110 005 • Phone : 25747260
- AGRA : 3. S-7, Second Floor, Block 41/4B, Friends Tower Sanjay Place, Agra-282002 • Phone : 0562-4009343, 9839844771

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

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NOTE NO. 20 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd..)

NOTE	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
20.5	<u>Earnings in foreign exchange</u> Export of goods calculated on FOB basis	3.47	6.55
20.6	<u>Segment Information - AS 17</u> The Corporation is principally engaged in single business segment i.e. Artificial Limbs, Rehabilitation Aids and Components and operates in one Geographical segment.		
20.7	<u>Related Party Disclosure - AS 18</u> There are no transaction between any related party.		
20.8	Figures in bracket represents that of previous year.		
20.9	Previous year figures have been re-grouped, re-arranged and re-classified to make them comparable with that of current year figures		

(Signature)
(ATUL RUSTAGI)
(SENIOR MANAGER (FINANCE))



FOR AND ON BEHALF OF BOARD OF DIRECTORS
(Signature)
(PANKAJ JOSHI)
DIRECTOR

(Signature)
(G. NARAYAN RAO)
CHAIRMAN & MANAGING DIRECTOR

PLACE : KANPUR
DATED: 2/7/12

IN TERMS OF OUR REPORT ATTACHED
FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 003724N

(Signature)
(CA. MUKUL BHARGAVA)
PARTNER
MEMBERSHIP NO. 072757

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

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BALANCE SHEET AS AT 31ST MARCH' 2012

(RS IN LACS)

S. NO.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
<u>EQUITY AND LIABILITIES</u>				
SHAREHOLDERS' FUNDS				
(a)	Share Capital	1	196.50	196.50
(b)	Reserves and Surplus	2	3,489.18	2,319.67
			3,685.68	2,516.17
NON-CURRENT LIABILITIES				
(a)	Long-term Borrowings	3	3,952.87	3,952.87
(b)	Long-term Provisions	4	108.55	2,085.63
			4,061.42	6,038.50
CURRENT LIABILITIES				
(a)	Trade Payables	5	268.10	81.64
(b)	Other Current Liabilities	6	5,993.17	5,544.68
(c)	Short-term Provisions	7	280.16	1,113.60
			6,541.43	6,739.92
	TOTAL		14,288.53	15,294.59
<u>ASSETS</u>				
NON-CURRENT ASSETS				
(a)	Fixed Assets			
(i)	Tangible Assets	8	1,273.54	1,319.10
(ii)	Intangible Assets		0.00	0.00
(iii)	Capital Work-in-Progress		240.72	246.71
(iv)	Intangible Assets Under Development		0.00	0.00
(v)	Fixed Assets held for Sale		0.00	0.00
	TOTAL NON CURRENT-ASSETS		1,514.26	1,565.81
CURRENT ASSETS				
(a)	Inventories	9	2,438.25	2,123.22
(b)	Trade Receivables	10	780.39	2,520.39
(c)	Cash and Cash Equivalents	11	8,708.18	8,787.46
(d)	Short-term Loans and Advances	12	96.09	87.87
(e)	Other Current Assets	13	751.36	209.84
	TOTAL CURRENT-ASSETS		12,774.27	13,728.78
	TOTAL		14,288.53	15,294.59
	SIGNIFICANT ACCOUNTING POLICIES	19		
	ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENT	20		
	REFER NOTES FORMING PART OF THE FINANCIAL STATEMENTS			

FOR AND ON BEHALF OF BOARD OF DIRECTORS

(ATUL RUSTAGI)
SENIOR MANAGER (FINANCE)

(PANKAJ JOSHI)
DIRECTOR

(G. NARAYAN RAO)
CHAIRMAN & MANAGING DIRECTOR

PLACE :
DATED:

IN TERMS OF OUR REPORT ATTACHED
FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 003724N

(CA. MUKUL BHARGAVA)
PARTNER
MEMBERSHIP NO. 072757

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012
RS IN LACS

Contd....

S. NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH'2012		FOR THE YEAR ENDED 31ST MARCH'2011	
A	CASH FLOW FROM OPERATING ACTIVITY				
	Brought forward		(698.15)		2,609.31
B	CASH FLOW FROM INVESTING ACTIVITY				
	Capital expenditure on fixed assets, including capital advances	(36.33)		(49.97)	
	Proceeds from sale of fixed assets	0.64		0.00	
	Interest Received	640.46		355.78	
	Other Non Operating Income	14.10	618.87	35.44	341.25
	Net cash flow from investing activities (B)				
C	CASH FLOW FROM Financing activity ACTIVITY		0.00		0.00
D	NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENT A+B+C		(79.28)		2,950.56
E	CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR (Refer Note 11)		8,787.46		5,836.90
F	CASH & CASH EQUIVALENTS AT THE END OF THE YEAR (Refer Note 11)		8,708.18		8,787.46

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Atul Rustagi
(ATUL RUSTAGI)
SENIOR MANAGER (FINANCE)

Pankaj Joshi
(PANKAJ JOSHI)
DIRECTOR

G. Narayan Rao
(G. NARAYAN RAO)
CHAIRMAN & MANAGING DIRECTOR

PLACE : Kanpur
DATED : 2/7/2012



IN TERMS OF OUR REPORT ATTACHED
FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS

FRN - 003724N
Mukul Bhargava
CA. MUKUL BHARGAVA
PARTNER
MEMBERSHIP NO. 072757



**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR**

39

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 : SHARE CAPITAL

RS IN LACS

S. NO.	PARTICULARS	AS AT 31ST MARCH'2012		AS AT 31ST MARCH'2011	
		NUMBER OF SHARES	AMOUNT (RS. IN LACS)	NUMBER OF SHARES	AMOUNT (RS. IN LACS)
(a)	AUTHORIZED 30000 Equity Shares of Rs. 1000.00 each with voting rights	30000	300.00	30000	300.00
(b)	ISSUED 19650 Equity Shares of Rs.1000.00 each with voting rights	19650	196.50	19650	196.50
(c)	SUBSCRIBED AND FULLY PAID UP 19650 Equity Shares of Rs.1000.00 each with voting rights	19650	196.50	19650	196.50
	TOTAL	19,650.00	196.50	19,650.00	196.50



(ii) Details of shares held by each shareholder holding more than 5% shares:

CLASS OF SHARES/ NAME OF SHARE HOLDER	AS AT 31ST MARCH' 2012		AS AT 31ST MARCH' 2011	
	NUMBER OF SHARES HELD	% HOLDING IN THAT CLASS OF	NUMBER OF SHARES	% HOLDING IN THAT CLASS OF
EQUITY SHARES WITH VOTING RIGHTS				
President of India	19647	99.98%	19647	99.98%



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 2 : RESERVES AND SURPLUS

S. NO.	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH' 2012	AS AT 31ST MARCH' 2011
(a)	CAPITAL RESERVE		
(i)	Grant from National Defence Fund		
	Opening Balance	400.00	400.00
	Add: Additions during the year (give details)	0.00	0.00
	Less: Utilised / transferred during the year (give details)	0.00	0.00
	Closing balance - (A)	400.00	400.00
(ii)	Modernization Grant from MOSJE, Government of India - Fully Utilized		
	Opening Balance	2,256.95	2,256.95
	Add: Additions during the year (give details)	0.00	0.00
	Less: Utilised / transferred during the year (give details)	0.00	0.00
	Closing balance - (B)	2,256.95	2,256.95
(iii)	Land Alloted by Governemtn of India		
	Opening Balance	0.00	0.00
	Add: Additions during the year (give details)	0.00	0.00
	Less: Utilised / transferred during the year (give details)	0.00	0.00
	Closing balance - (C)	0.00	0.00
	TOTAL CAPITAL RESERVE (A+B+C)	2,656.95	2,656.95
(b)	SURPLUS (DEFICIT) IN STATEMENT OF INCOME & EXPENDITURE		
	Opening balance	(337.28)	888.30
	Add: Profit/(Loss) for the year	1,169.51	551.03
	TOTAL SURPLUS (DEFICIT)	832.23	(337.28)
	TOTAL RESERVES AND SURPLUS	3,489.18	2,319.67
2.1	Grants received from Government in nature of Promoter's Contribution have been credited to Capital Reserve Account. Since these are in nature of Share Holders' Fund, Un-utilized amount has also been disclosed as Capital Reserve.		
2.2	Out of total Modernization Grant of Rs. 2256.95 Lacs (Rs. 2256.95 Lacs) (Including interest earned there on) received by the Corporation from the Ministry of Social Justice & Empowerment, Government of India, the corporation has utilized Rs. 2256.95 Lacs up to 31 st March '2012 (Rs. 2256.95 Lacs) leaving behind un-spent amount of Rs. Nil (Rs. Nil) as on 31 st March '2012.		
2.3	Accounting of Government Grants is in conformity with AS 12.		



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**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 : LONG TERM BORROWINGS

S. NO.	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH' 2012	AS AT 31ST MARCH' 2011
(A)	INTEREST ACCRUED AND DUE ON LOAN FROM GOVERNMENT OF INDIA		
	Secured	0.00	0.00
	Unsecured	3,952.87	3,952.87
	TOTAL	3,952.87	3,952.87

3.1 The Corporation is a company registered under the provisions of Section 25 of The Companies Act' 1956 and by virtue of these provisions is barred from distributing/transferring its income directly or indirectly by way of dividend bonus or other wise or by way of profit to persons who at any time are or have been members of the company. In view of this, though the simple interest amounting to Rs. 3952.87 lacs (Rs. 3952.87 lacs) payable to Government on loans taken by the corporation in past has been provided in books of account but has not been paid till date. The same has been disclosed under the head Unsecured Long term borrowings. Moreover, in view of above facts no provision has been made towards penal interest, if any. The Corporation has requested the Ministry for waiver of the simple interest amounting to Rs. 3952.87 lacs and penal interest amounting to Rs. 1085.08 Lacs (Rs. 1026.91 Lacs) accrued up to 31.03.2012.



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 4 : LONG TERM PROVISIONS

(RS. IN LACS)

S. NO.	PARTICULARS	AT AT 31ST MARCH' 2012	AT AT 31ST MARCH' 2011
A	PROVISION FOR EMPLOYEES BENEFITS		
(i)	Provision for Gratuity	0.00	1,521.97
(ii)	Provision for Leave Encashment	0.00	455.11
(iii)	Provision for Pay Revision Arrears	108.55	108.55
	TOTAL	108.55	2,085.63
4.1	<p>During the year the Corporation has opted for Gratuity Fund & Leave Encashment Scheme of Life Insurance Corporation of India with effect from 26.03.2012 and has formed a trust named ALIMCO Employees Group Gratuity Trust to manage the same. A sum of Rs.1931.37 Lacs towards Gratuity contribution and Rs.565.56 Lacs towards Leave Encashment contribution has been paid to LIC during the year debiting provision for Gratuity and Leave Encashment account. The difference between contribution paid to LIC and provision till 31.03.11 has been debited to Income & Expenditure Account. The present value of obligations under gratuity and leave encashment has been determined by LIC based on actuarial valuation at the end of the period using Projected Unit Credit Method, which recognises period of service, last drawn pay which is conformity with AS 15.</p>		
4.2	<p>As per Presidential Directives received vide Letter No. 15-3/2008 Nis dated 20.05.2011 sanctioned was awarded for <u>implementation</u> of wage revision with effect from 01.04.2008. Looking to the terms and conditions of the DPE for revision of pay scales, the management is of the opinion that same will have to be paid from 01.01.2007, which has been approved by Board of Directors and is under consideration with the ministry. Thus provision of Rs. 108.55 Lacs towards pay revision arrears from the period of 01.01.2007 to 31.03.2008 made during the year 2010-11 has not been reversed and has been disclosed under Long Term Provision.</p>		



**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 5 : TRADE PAYABLES

(RS. IN LACS)

S. NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
	TRADE PAYABLES		
1	Acceptances - Sundry Creditors	268.10	81.64
2	Other than Acceptances	0.00	0.00
	TOTAL	268.10	81.64
5.1	Balances are subject to confirmation.		



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 6 : OTHER CURRENT LIABILITIES

S. NO.	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(i)	STATUTORY REMITTANCES		
(ii)	Trade / security deposits received	4.08	2.66
(iii)	Advances from customers	208.80	205.09
(iv)	UN-UTILIZED GOVERNMENT GRANTS	2,259.42	1,278.15
(a)	GRANT UNDER ADIP SCHEME		
	Opening Balance		347.74
	Add : Received During the year	911.84	799.00
		1,151.82	799.00
	Less : Utilized During the year	2,063.66	1,146.74
		660.91	234.90
		1,402.75	911.84
	Less : UC's Received & to be accounted for	62.66	0.00
		1,340.09	911.84
	Less : Material Dispatched for Distribution	230.86	0.00
		1,109.23	911.84
(b)	GRANT UNDER ADIP - SSA SCHEME		
	Opening Balance		1,648.06
	Add : Received During the year	2,903.86	3,000.00
		3,000.00	3,000.00
	Less : Utilized During the year	5,903.86	4,648.06
		2,118.51	1,744.20
		3,785.35	2,903.86
	Less : UC's Received & to be accounted for	150.34	0.00
		3,635.01	2,903.86
	Less : Material Dispatched for Distribution	1,311.80	0.00
		2,323.21	2,903.86
(v)	Expenses Payable	88.43	243.08
	TOTAL	5,993.17	5,544.68

- i.1 The Corporation is working as Nodal Agency of Government of India under its ADIP (Assistance to Disabled Persons) Scheme and as a sole implementing agency under ADIP-SSA (Assistance to Disabled Persons - Sarva Shiksha Abhiyan) Scheme. Grants received from the Ministry of Social Justice and Empowerment, Government of India is recognised as Revenue grant in conformity with AS 12 and Un-utilized balance of the same is disclosed as Current Liabilities.
- i.2 As per Revised Accounting Policies, grants received under ADIP and ASIP-SSA Scheme have been recognized as utilized against proof of acknowledgement from consignee. As such, debit balances on account of utilization certificates received and to be accounted for and material dispatched for distribution has been considered as utilization of grants and has been deducted from the grant and disclosed separately.
- i.3 Balances under Security Deposit, Earnest Money Deposits, Advance from Customers and under various parties account are subject to confirmation.

**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 7 : SHORT TERM PROVISIONS

(RS. IN LACS)

S. NO.	Particulars	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(A)	PROVISION FOR EMPLOYEE BENEFITS		
(i)	Provision for bonus	0.00	0.00
(ii)	Provision for compensated absences	0.00	0.00
(iii)	Provision for gratuity	0.00	151.27
(iv)	Provision for pay reversion arrears	65.62	844.71
(v)	Provision for PRP and Post Retirement Benefits	170.13	73.21
		235.75	1,069.19
(B)	PROVISIONS - OTHERS		
(i)	Provision for property tax	44.41	44.41
	TOTAL	280.16	1,113.60
7.1	An total adhoc provision of Rs. 41.84 Lacs (Rs. 15.87 Lacs) calculated @ 1.5% of Profit Before Tax till 31.03.2012 has been made towards Post Retirement Medical Benefits to retired employees as per DPE Guidelines contained in DPE OM No. 2(81)/08-DPE(WC) GL-XVI/2009 dated 8th July 2009 and 2(81)/08-DPE(WC) GL-XV/2011 dated 20.07.2011.		
7.2	An total adhoc provision of Rs. 128.28 Lacs (Rs. 57.34 Lacs) calculated @ 3% of Current Profit Before Tax + 10% of incremental profit subject to maximum of 5% of Profit Before Tax till 31.03.2012 has been made towards Performance-Related Pay as per DPE Guidelines contained in DPE OM No. 2(70)/08-DPE (WC) GL-XVI/2008 dated 26th Nov.2008, 2(70)/08-DPE(WC) GL-IV/2009 dated 09th February 2009 and 2(70)/08-DPE (WC) GL-VII/2009 Dated 02nd April 2009 relating to implementation of Revision of Pay Scales of Board Level, Below Board Level executives and Non-Unionized Supervisors.		
7.3	Provision for Property Tax amounting to Rs. 44.41 Lacs (Rs. 44.41 Lacs) represents liability provided in previous years towards Property Tax demand raised by Nagar Maha Palika Kanpur against the corporation. Though the lower Court has passed a decision in favour of the Corporation for non levy of Property Tax but the same has not been reversed looking to the quantum of tax involved and since the corporation has deposited a sum of Rs. 22.20 Lacs (Rs. 22.20 Lacs) which is yet to be refunded by Nagar Maha Palika. However, in view of decision given by the Court, no further provision has been made for the current year towards Property Tax.		



**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR**

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS

(RS. IN LACS)

A.	TANGIBLE ASSETS	GROSS BLOCK					AS AT 31ST MARCH 2012
		AS AT 31ST MARCH 2011	ADDITIONS	DISPOSAL/ADJUSTMENT	BORROWING COST CAPITALIZED	OTHER ADJUSTMENT	
(a)	LAND Freehold: Land & Land Development Land Development-Township Road ,Bridges,Drainage & Water Supply Road ,Drainage & Water Supply-Township Leasehold: Leasehold Land Kanpur & APCs	30.47 0.26 80.82 3.72 86.75	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	30.47 0.26 80.82 3.72 86.75
(b)	BUILDINGS Own use Building Building-Township	898.71 39.91	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	898.71 39.91
(c)	PLANT AND EQUIPMENT Owned General Machinery Electrical Machinery & Equipment Electrical Installation & Equipment-Township Machine Tools Dies,Jigs & Fixtures Samples & Patterns	329.49 284.46 0.88 304.71 283.07 3.06	0.00 11.38 0.00 5.68 0.00 0.00	0.00 0.58 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	329.49 285.20 0.88 310.39 283.07 3.06
(d)	FURNITURE & FIXTURES Owned Furniture & Fixtures Canteen Furniture Furniture & Fixtures-Township	42.16 0.41 0.21	0.04 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00	42.20 0.41 0.21

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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS -Contd.

A.	TANGIBLE ASSETS	GROSS BLOCK					
		AS AT 31ST MARCH 2011	ADDITIONS	DISPOSAL/ ADJUSTMENT	BORROWING COST CAPITALIZED	OTHER ADJUSTMENT	AS AT 31ST MARCH 2012
(e)	VEHICLES Owned	30.92	0.00	0.00	0.00	0.00	30.92
(f)	OFFICE EQUIPMENT Owned Hospital Training & Equipment Office Equipment & Air Conditioners Canteen Appliances	2.48 60.86 1.61	0.00 0.76 0.00	0.00 0.80 0.00	0.00 0.00 0.00	0.00 0.00 0.00	2.48 60.82 1.61
(g)	BOOKS Owned	2.42	0.01	0.00	0.00	0.00	2.43
(h)	COMPUTERS Owned	125.53	24.14	0.00	0.00	0.00	149.67
	TOTAL	2,612.91	42.01	1.38	0.00	0.00	2,653.54
	PREVIOUS YEAR	2,487.15	125.76	0.00	0.00	0.00	2,612.91



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS -Contd.,

B.	TANGIBLE ASSETS	ACCUMULATED DEPRECIATION & IMPAIRMENT			NET BLOCK	
		AS AT 31ST MARCH 2011	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
(a)	LAND					
	Freehold:					
	Land & Land Development	0.00	0.00	0.00	30.47	30.47
	Land Development-Township	0.00	0.00	0.00	0.26	0.26
	Road, Bridges, Drainage & Water Supply	28.78	1.32	0.00	50.72	52.04
	Road, Drainage & Water Supply-Township	2.05	0.06	0.00	1.61	1.67
	Leasehold:					
	Leasehold Land Kanpur & APCs	9.57	1.06	0.00	76.12	77.18
(b)	BUILDINGS					
	Own use					
	Building	245.28	24.02	0.00	629.41	653.43
	Building-Township	11.37	0.65	0.00	27.89	28.55
(c)	PLANT AND EQUIPMENT					
	Owned					
	General Machinery	149.59	15.52	0.00	165.11	179.90
	Electrical Machinery & Equipment	192.76	8.66	0.00	201.42	91.70
	Electrical Installation & Equipment-Township	0.88	0.00	0.00	0.88	0.00
	Machine Tools	198.22	14.47	0.00	212.69	133.49
	Dies, Jigs & Fixtures	219.05	12.77	0.00	231.82	64.01
	Samples & Patterns	3.06	0.00	0.00	3.06	0.00



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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS -Contd.

B.	TANGIBLE ASSETS	ACCUMULATED DEPRECIATION & IMPAIRMENT			NET BLOCK	
		AS AT 31ST MARCH'2011	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ELIMINATED ON DISPOSAL OF ASSETS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(d)	FURNITURE & FIXTURES Owned Furniture & Fixtures Canteen Furniture Furniture & Fixtures-Township	35.74 0.41 0.21	0.64 0.00 0.00	0.00 0.00 0.00	36.38 0.41 0.21	6.42 0.00 0.00
(e)	VEHICLES Owned	27.01	1.35	0.00	28.36	3.90
(f)	OFFICE EQUIPMENT Owned Hospital Training & Equipment Office Equipment & Air Conditioners Canteen Appliances	1.20 45.59 1.59	0.11 2.78 0.00	0.00 0.31 0.00	1.31 48.06 1.59	1.28 15.28 0.01
(g)	BOOKS Owned	2.42	0.01	0.00	2.43	0.00
(h)	COMPUTERS Owned	119.03	3.08	0.00	122.11	6.51
	Total	1,293.81	86.50	0.31	1,380.00	0.00
	Previous year	1,208.99	84.82	0.00	1,293.81	0.00
						1,319.10



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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS -Contd.

8.1. LAND AND BUILDINGS :

8.1.1 KANPUR

The corporation was allotted land measuring 44 acres by Indian Institute of Technology, Kanpur in the year 1974 free of cost. In the year 1999, a unregistered lease deed in favour of the corporation was executed by IIT Kanpur for a period of 60 years expiring in the year 2034. Value of the same has been disclosed in books of account at a nominal value of Rs. 1.00 by crediting equal amount to Capital Reserve Account. Lease rent for full period till 2034 has been paid by the corporation in advance to IIT, Kanpur.

8.1.2 AUXILIARY PRODUCTION CENTRE - BENGALURU

Out of total land area of 6 acres 38.3 guntas in possession of the corporation, land measuring 3 acres was allotted to the corporation in the year 2001 by Government of India through Director (Backward Classes), Ministry of Social Justice & Empowerment. The Corporation has not paid any amount against the allotment of above land. The same has been disclosed in books of account at a nominal value of Rs. 1.00 by crediting equal amount to Capital Reserve Account.

In order to facilitate the construction of factory building, the corporation had deposited land Betterment charges & Property tax for the years 2001-02 to 2003-04 for the entire area of land measuring 6 acres 38.3 guntas. Out of total amount of Rs. 38.73 lacs Rs. 16.68 lacs (Rs. 16.68 lacs) being betterment charges and property tax relating to land allotted to the corporation has been shown under the head Fixed Assets - Development of Land and balance amount of Rs. 22.05 lacs (Rs.22.05 lacs) paid in respect of excess area of land in possession of the corporation has been shown under the head Loans and Advances.

No provision for taxes and other charges payable, if any, has been made for the years 2004-05 to 2011-12 since no demand has been raised against the corporation.

8.1.3 AUXILIARY PRODUCTION CENTRE - CHANALON

The corporation was initially allotted land measuring 12505.50 sq. yards at Focal Point, Chanalon by Punjab Small Industries and Export Corporation Limited in the year 2005. The corporation took over possession of actual land area measuring 11836.42 sq. yards. Cost of land paid amounting to Rs. 28.14 lacs (Rs. 28.14 lacs) has been capitalized under the head Fixed Assets - Lease Hold Land. Expenditure amounting to Rs. 237.12 lacs (237.12 lacs) incurred at AAPC, Chanalon project on construction of building, installation of plant and machinery and other preliminary and pre-operative expenses including consultancy charges has been grouped under the head Capital Work-in-Progress. Though, the construction of building was completed in the year 2009 but since the production has not yet commenced in full swing, the same has not been capitalized.



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**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 8 : FIXED ASSETS -Contd..

8.1.4 ALIMCO OUTREACH CENTRE - GUWAHATI

The corporation was allotted land measuring 12 Bighas by Deputy Commissioner, Kamrup District in the year 2007. A sum of Rs. 3.62 lacs (Rs. 3.62 lacs) has been paid by the corporation as premium of said land. Though the title/lease hold rights of the said land are yet to be registered in the name of the corporation, the said land has been capitalized under the head Fixed Assets as possession of the same has been taken over by the corporation.

8.1.5 AUXILIARY PRODUCTION CENTRE, KAIMUR

The corporation was allotted land measuring 2 acres by District Collector, KAIMUR in the year 2009. A sum of Rs. 3.59 lacs (Rs. 3.59 lacs) has been paid by the corporation as premium for 30 years of lease of said land expiring in the year 2039. The title/lease hold rights of the said land are yet to be transferred in the name of the corporation. However, the possession of the same is with the corporation. The premium paid has been shown under the head Capital Work in Progress.

8.1.6 AUXILIARY PRODUCTION CENTRE, BHUBANESHWAR

The corporation was allotted land measuring about 2.30 acres by Orissa Industrial Infrastructure Development Corporation, Bhubaneswar in the year 1999. A sum of Rs. 48.79 lacs (Rs. 48.79 lacs) has been paid by the corporation as premium for 78 years of lease of said land expiring in the year 2077. The same has been capitalized under the head Fixed Assets as lease hold land. Lease premium is being amortized over the lease period as depreciation.

In addition to above, shad nos. S-3/84 & S-3/85 were handed over to the corporation by Mahila Vikas Samabaya Nigam, Bhubaneswar on payment of Rs. 20.00 lacs (Rs. 20.00 lacs) as per the order of Department of Women and Child Welfare, government of Orissa. The said sum has been disclosed under the head Fixed Assets - Lease Hold Land. Title of the same is yet to be transferred in favor of the corporation.

8.1.7 AUXILIARY PRODUCTION CENTRE, JABALPUR

The corporation was allotted land measuring 3.31 acres by Governor of Madhya Pradesh through Chief General Manager, District Trade & Industries Centre, Jabalpur in the year 2000. A sum of Rs. 6.20 lacs (Rs. 6.20 lacs) has been paid by the corporation as premium for 99 years of lease of said land expiring in the year 2099. The same has been capitalized under the head Fixed Assets as lease hold land. Lease premium is being amortized over the lease period as depreciation.

8.2 OTHER FIXED ASSETS :

8.2.1 Maintenance of records showing full particulars including quantitative details and situation of the Fixed Assets is in progress. The same has been completed up to the financial year 2005-2006.

8.2.2 Management has taken up steps for physical verification of fixed assets lying at its head office and different units. Discrepancies, if any, on physical verification shall be adjusted as and when identified.

8.3 IMPAIRMENT OF ASSETS : AS - 28

As per assessment of the management there is neither any indication that any asset has impaired as on the Balance Sheet date nor any evidence is available of obsolescence or physical damage of an asset or significant change with an adverse effect on the Corporation have taken place during the period or are expected to take place in near future. Information available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 9 : INVENTORIES

(Valued as per disclosure in Accounting Policies Note No. 19)

(RS. IN LACS)

S NO.	PARTICULARS	AS AT	AS AT
		31ST MARCH'2012	31ST MARCH'2011
(a)	Raw Materials	918.76	743.82
	Goods-in-transit	0.00	0.00
		918.76	743.82
(b)	Work-in-Progress	123.66	96.80
	Goods-in-transit	0.00	0.00
		123.66	96.80
(c)	Finished Goods	1,150.79	1,133.98
	Goods-in-transit	93.98	40.85
		1,244.77	1,174.83
(d)	Scrap	18.00	11.76
	Goods-in-transit	0.00	0.00
		18.00	11.76
(e)	Stores and Spares	114.78	78.09
	Goods-in-transit	0.00	0.00
		114.78	78.09
(f)	Loose Tools	18.28	17.92
	Goods-in-transit	0.00	0.00
		18.28	17.92
(g)	Slow Moving/Non Moving	92.90	36.93
		92.90	36.93
	TOTAL	2,531.15	2,160.15
	Less : Provision for Slow Moving/Non Moving Inventories	92.90	36.93
	TOTAL	2,438.25	2,123.22
Note: Details of inventory of work-in-progress			
		(RS. IN LACS)	
	PARTICULARS	AS AT	AS AT
		31ST MARCH'2012	31ST MARCH'2011
	ARTIFICIAL LIMBS, AIDS AND APPLIANCES	123.66	96.80
	TOTAL	123.66	96.80
9.1	Inventories of raw materials, loose tools, store and spare parts, finished goods, work in progress and scrap are as per inventory taken and value certified by the management and has been valued on the basis as contained in Accounting Policies. However, on the basis of non-moving and slow moving inventory for last three years, the Corporation has made a provision of Rs 92.90 Lacs (Rs 36.93 Lacs) towards redundancy. An internal assessment is being carried out for alternative use of slow and non moving inventories.		
9.2	As per the Accounting Policy of the corporation Finished Goods/Finished Goods -in- Transit have been valued at Standard Cost (Factory Cost) or Estimated Realizable Value, whichever is less. The standard cost is based on that for the year 2007-08 (Previous Year 2007-08).		



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10 : TRADE RECEIVABLES

(RS. IN LACS)

S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
1	Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
	Secured, considered good	0.00	0.00
	Unsecured, considered good	591.16	1,184.57
	Doubtful	95.22	2.71
		686.38	1,187.28
	Less: Provision for doubtful trade receivables	95.22	2.71
		591.16	1,184.57
2	Other Trade receivables		
	Secured, considered good	0.00	0.00
	Unsecured, considered good	161.02	1,006.75
	Doubtful	0.00	0.00
		161.02	1,006.75
	Less: Provision for doubtful trade receivables	0.00	0.00
		161.02	1,006.75
3	Claims Recoverable - UC's to be Adjusted		
	Secured, considered good	0.00	0.00
	Unsecured, considered good	28.21	329.07
	Doubtful	0.00	0.00
		28.21	329.07
	Less: Provision for doubtful trade receivables	0.00	0.00
		28.21	329.07
	TOTAL	780.39	2,520.39

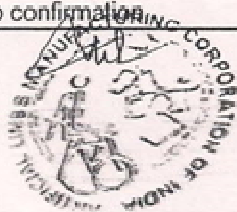
Note: Trade receivables include debts due from:

S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(a)	Directors	0.00	0.00
(b)	Other officers of the Company	0.00	0.00
(c)	Firms in which any director is a partner (give details per firm)	0.00	0.00
(d)	Private companies in which any director is a director or member (give details per company)	0.00	0.00
	TOTAL	0.00	0.00

10.1 In the opinion of the management, amount receivable from sundry debtors are good for recovery except Rs 95.22 Lacs (Rs. 2.71 Lacs) which was due for more than 5 years, against which a suitable provision has been made.

10.2 As per Revised Accounting Policies, debit balances amounting to Rs. 1542.67 Lacs on account of materials dispatched for distribution has been considered as utilization of grants and has been deducted from the grant and as such have not been disclosed as sundry debtors.

10.2 Balance are subject to confirmation



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 11 CASH AND CASH EQUIVALENTS

(RS. IN LACS)

S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(a)	Cash in hand	5.34	4.00
(b)	Cheques, drafts on hand	244.30	261.40
(c)	Balances with banks		
(i)	In current accounts	22.87	64.63
(ii)	In Saving Bank Accounts	1,535.44	2,209.56
(iii)	In Fixed deposit accounts	6,900.23	6,247.87
	TOTAL	8,708.18	8,787.46
	Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	8708.18	8787.46
11.1	Fixed Deposits with Banks include deposits of Rs. Nil (Rs. Nil) with maturity of more than 12 months.		



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**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 12 SHORT TERM LOANS AND ADVANCES

(RS. IN LACS)			
S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(a)	Security deposits		
	Secured, considered good	0.00	0.00
	Unsecured, considered good	25.74	22.02
	Doubtful	0.00	0.00
		25.74	22.02
	Less: Provision for doubtful deposits	0.00	0.00
		25.74	22.02
(b)	Loans and advances to employees		
	Secured, considered good	0.00	0.00
	Unsecured, considered good	16.23	15.60
	Doubtful	0.00	0.00
		16.23	15.60
	Less: Provision for doubtful loans and advances	0.00	0.00
		16.23	15.60
(c)	Prepaid expenses - Unsecured, considered good	13.00	9.75
		13.00	9.75
(d)	Balances with government authorities		
	Unsecured, considered good	0.00	0.00
(i)	Income Tax receivable	14.77	13.15
(ii)	Property Tax Recoverable	22.20	22.20
		36.97	35.35
(e)	Advance to Suppliers/Parties		
	Secured, considered good		
	Unsecured, considered good	4.15	5.15
	Doubtful	0.73	0.73
		4.88	5.88
	Less: Provision for doubtful advances	0.73	0.73
		4.15	5.15
	TOTAL	96.09	87.87
Note: Short-term loans and advances include amounts due from:			
S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
	Directors	0.00	0.00
	Other officers of the Company	0.00	0.00
	Firms in which any director is a partner (give details per firm)	0.00	0.00
	Private companies in which any director is a director or member (give details per company)	0.00	0.00
		0.00	0.00



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 12 SHORT TERM LOANS AND ADVANCES

Contd...	
12.1	In the opinion of the management, loans and advances are of value stated, if realized in ordinary course of business and are good for recovery.
12.2	Loans and advances includes Rs. 14.77 lacs (Rs. 13.15 lacs) being income tax deducted at source. Corporation has been assessed by various authorities for the assessment years 2003-04 to 2009-10 under section 143 (3) and certain demands have been raised against the corporation. The corporation has preferred appeals with CIT (Appeals) Kanpur against the said orders. CIT (Appeals) has in most of the cases directed the assessing officer to re-assess/re-compute the income of the corporation applying the provision of section 11 to 13 of the Income Tax Act. Since the corporation is a non profit making organization and has been granted registration under the provisions of section 12 AA of the Income Tax Act, no liability against these pending appeals is foreseen.
12.3	Loans and Advances includes a sum of Rs. 22.20 lacs (Rs. 22.20 Lacs) being property tax deposited with Nagar Maha Palika, Kanpur under dispute. The lower Court has decided the case in favour of the Corporation and the said advance is expected to be refunded back by the Nagar Maha Palika.
12.4	Balances in parties and employees account are subject to confirmation



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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 13 : OTHER CURRENT ASSETS

(RS. IN LACS)

S NO.	PARTICULARS	AS AT 31ST MARCH'2012	AS AT 31ST MARCH'2011
(a)	Accruals	239.85	88.98
(i)	Interest accrued on deposits		
(b)	Others	15.51	120.86
(i)	Contractually reimbursable expenses	496.00	0.00
(ii)	Funds receivable		209.84
	TOTAL	751.36	
13.1	Contractually reimbursable expenses amounting to Rs. 15.51 Lacs represents amount receivable from Ministry of Social Justice and Empowerment being net of handling charges incurred by the corporation under Bi-Lateral Agreement. In absence of budget provision by Ministry, the outstanding claims recoverable amounting to Rs. 129.38 lacs have been adjusted from the advance released by the Ministry in previous years amounting to Rs. 113.87 lacs and net balance has been disclosed as contractual reimbursable expenses.		

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 14 : REVENUE FROM OPERATIONS

S NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2012	FOR THE YEAR ENDED 31ST MARCH 2011
		8,171.24	5,628.61
(a)	Sale of products	8.23	123.12
(b)	Sale of services	3.46	11.78
(c)	Other Operating Revenues	8,182.93	5,763.51
	Less:	0.00	0.00
(d)	Excise duty	8,182.93	5,763.51
	TOTAL		

(RS. IN LACS)

S NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2012	FOR THE YEAR ENDED 31ST MARCH 2011
(i)	Sale of products comprises		
	<u>Manufactured goods</u>	8,171.24	5,628.61
	Artificial Limbs, Components & Re-Habilitation Aids	8,171.24	5,628.61
	Total - Sale of manufactured goods	0.00	0.00
	<u>Traded goods</u>	0.00	0.00
	Total - Sale of traded goods	8,171.24	5,628.61
	Total - Sale of products		
(ii)	Sale of services comprises	8.23	123.12
	Handling Charges under Bi-Lateral Agreement	8.23	123.12
	Total - Sale of services		
(iii)	Other operating revenues comprise:		
	Sale of scrap	3.46	11.78
	Duty drawback and other export incentives	0.00	0.00
	Total - Other operating revenues	3.46	11.78
14.1	Income from handling charges under Bi-Lateral Agreement and expenditure on Handling/clearance of duty free gift consignments have been separately accounted for and have been disclosed accordingly under Income and Expenditure heads.		
14.2	Sales includes gross value of fabricated aids and appliances distributed through camps.		



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 15 : OTHER INCOME

(RS. IN LACS)			
S NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2012	ENDED 31ST MARCH 2011
(a)	Interest income	640.45	355.78
(b)	Other non-operating income	14.10	35.45
	TOTAL	654.55	391.23

(RS. IN LACS)			
S NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2012	ENDED 31ST MARCH 2011
(i)	Interest income comprises:		
	Interest from banks on:		
	Current Deposits	640.45	306.82
	other balances	0.00	0.00
	Interest on income tax refund	0.00	48.96
	Total - Interest Income	640.45	355.78
(ii)	Other non-operating income comprises:		
	Rental income from Township	0.20	0.21
	Prior period items (net)	0.00	27.31
	Provisions no longer required written back	4.12	0.00
	Miscellaneous income	9.78	7.93
	Total - Other non-operating Income	14.10	35.45
(iii)	Details of Prior period items (net)		
	Prior period income (give details)	0.00	56.03
	Prior period expenses (give details)	0.00	28.72
	TOTAL	0.00	27.31



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 16 A : COST OF MATERIALS CONSUMED

(RS. IN LACS)

S NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2012	FOR THE YEAR ENDED 31ST MARCH 2011
1	Opening stock	743.82	600.23
	Add: Purchases	3,346.15	2,132.30
		4,089.97	2,732.53
	Less: Closing stock	918.76	743.82
	Cost of material consumed	3,171.21	1,988.71
2	Material consumed comprises:		
(i)	Mild Steel	433.28	300.50
(ii)	Aluminium Alloy	55.64	39.49
(iii)	Bought out Components	2,238.95	1,349.56
(iv)	Fitting Material	337.47	275.95
(v)	Others	105.87	23.21
	Total	3,171.21	1,988.71

NOTE 16 B : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(RS. IN LACS)

S NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2012	FOR THE YEAR ENDED 31ST MARCH 2011
A	Inventories at the end of the year:		
(i)	Finished goods	1,150.79	1,133.98
(ii)	Work-in-progress	123.66	96.80
(iii)	Material in Transit	93.99	40.84
(iv)	Scrap	18.00	11.76
		1,386.44	1,283.38
B	Inventories at the beginning of the year:		
(i)	Finished goods	1,133.98	765.36
(ii)	Work-in-progress	96.80	208.35
(iii)	Material in Transit	40.84	7.20
(iv)	Scrap	11.76	18.87
		1,283.38	999.78
	Net (increase) / decrease(A-B)	103.06	283.60
16.1	Shortages/Excess, Losses and wastages being within normally accepted limits have been disclosed as part of Materials consumed.		



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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 17 : EMPLOYEE BENEFITS EXPENSE

(RS. IN LACS)

S NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2012	ENDED 31ST MARCH 2011
1	Salaries and wages	2,279.54	1,772.40
2	Contributions to provident and other funds	752.34	723.37
3	Staff welfare expenses	96.36	177.18
	TOTAL	3,128.24	2,672.95
17.1	As per accounting standard 15 "Employee Benefits" the disclosures as defined in the accounting standards are given below :		
	Defined Contribution Plans		
	Contribution to Defined Contribution Plans recognized as expense for the year is as under :		
		(RS. IN LACS)	
	PARTICULARS	31.03.2012	31.03.2011
	Employer's Contribution to Provident Fund	144.57	101.77
	Employer's Contribution to Pension Fund	20.14	22.63
	Employer's Contribution to Gratuity Fund	409.40	0.00
	Employer's Contribution to Leave Encashment Fund	110.45	0.00
17.2	PAYMENT TO DIRECTORS :		
		(RS. IN LACS)	
	PARTICULARS	31.03.2012	31.03.2011
	Salary & Allowances	15.16	12.54
	Employers Contribution to PF	1.11	1.48
	Employers Contribution to LIC Leave Encashment Scheme	0.24	0.00
	Medical Expenses	0.00	0.24
	Reimbursement of Expenses	0.00	0.14
	TOTAL	16.51	14.40



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ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 18 : OTHER EXPENSES (Contd...)

(RS. IN LACS)

S NO.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2012	FOR THE YEAR ENDED 31ST MARCH 2011
(i)	Payments to the auditors comprises (net of service tax input credit, where		
	As auditors - statutory audit	0.66	0.65
	For taxation matters	0.34	0.33
	For company law matters	0.00	0.00
	For management services	0.00	0.00
	For other services	0.00	0.00
	Reimbursement of expenses	0.00	0.00
	TOTAL	1.00	0.98
(ii)	Details of Prior Period Items (Net)		
	Prior Period Expenses (Sales - Rs. 622740/- & Purchases Rs. 221904/-)	8.45	0.00
	Prior Period Income	0.00	0.00
	TOTAL	8.45	0.00
18.1	During the year provision of Rs. 92.59 Lacs has been made towards bad and doubtful Sundry Debtors out standing for morethan five years by debing other expenses account. These have not been written off as efforts are being made to realize the same.		
18.2	During the year provision of Rs. 55.97 Lacs (Rs. 36.93 Lacs) has been made towards slow/non moving inventories for last three years identified through process of phycisal verification. Internal assessment is being carried out for alternative use of these items. Scrap value/net realizable value of the same shall be accounted for on after internal assesment.		



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTE NO. 19 : SIGNIFICANT ACCOUNTING POLICIES

19.1 Basis of Preparation of Financial Statements

The financial accounts, unless stated otherwise, are prepared on the historical cost and accrual basis in accordance with the normally accepted accounting principles. These statements have been prepared in accordance with applicable mandatory accounting standards referred to in Section 211(3C) and relevant presentation requirements of the Companies Act, 1956.

Since the Corporation is a non-profit making Organization, it prepares "Income & Expenditure Account" in compliance to provisions of section 210(2) of Companies Act, 1956.

19.2 Fixed Assets and Expenditure during Construction period.

- (a) Fixed Assets are capitalized at acquisition cost including directly attributable cost of bringing the assets to its working conditions for intended use.
- (b) The depreciation on fixed assets is provided for on straight line method at the rates specified in Schedule XIV to the Companies Act, 1956. Cost of lease hold land is amortized over the period of lease. However, on items costing up to Rs. 5000/- each, 100% depreciation is being provided for in the year of purchase.
- (c) Depreciation on fixed assets is calculated on pro-rata basis with reference to the date of addition/disposal.
- (d) As per accounting policy consistently followed by the Corporation, the cost of Dies & Jigs etc below Rs. 5000/- each is charged to Income & Expenditure Account by debiting to Loose Tools
- (e) Expenditure during construction period in respect of new projects/assets are included under Capital Work-in-Progress and Expenses pending allocation are to be allocated to the fixed assets on commissioning of the projects/assets.
- (f) Capital Work-in-Progress includes advances for capital Expenditure.

19.3 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to the Income & Expenditure Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been a change in the estimate of recoverable amount.



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR

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NOTE NO. 19 : SIGNIFICANT ACCOUNTING POLICIES (Contd....)

19.4 Inventories

Basis of valuation of inventories is as under :-

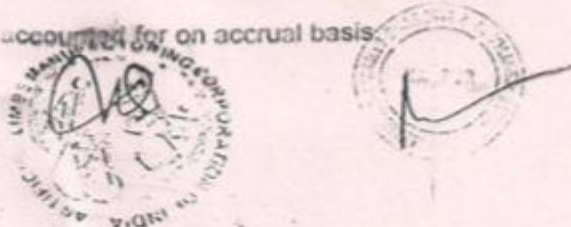
(a)	Raw Materials, Stores & Spares, Loose Tools, Material in Transit/Inspection	At weighted average Cost.	Weighted Average Cost constitutes of purchase cost and other direct cost .
(b)	Work-in-Progress	At Standard Cost (Factory Cost)	Standard Cost/ Factory Cost constitutes of Material Cost, Labour & Factory Overheads to the point of completion.
(c)	Finished Goods / Finished Goods in Transit	At Standard Cost (Factory Cost) or estimated realizable value whichever is less	Standard Cost/Factory Cost constitutes of Material Cost, Labour & Factory Overheads.
(d)	Scrap	At estimated realizable value	Estimated realizable value represents present market rate.

19.5 Revenue Recognition

- (i) Sales are recognized and accounted for on despatch of goods from the Corporation's Factory/Offices/Units.
- (ii) Sale rates are rounded off to the nearest rupee while preparing sales invoices.
- (iii) Income & Expenditure are recognized and accounted for on accrual basis, except in case of significant uncertainties. Provision is made for all known losses & liabilities.
- (iv) Income from handling charges under bi-lateral agreement and expenditure on handling/clearance of duty free gift consignments are separately accounted for.

FMD/Security de...

- (vi) Interest on deposits is accounted for on accrual basis.



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTE NO. 19 : SIGNIFICANT ACCOUNTING POLICIES (Contd....)

19.6 Accounting of Government Grants

Grants received from government in nature of promoter's contribution are disclosed as capital reserve. These being in nature of share holders' fund, un-utilized amount is disclosed as capital reserve. Other Government Grants are disclosed under Current Liabilities, net of its utilization. Grants received under ADIP and ADIP-SSA schemes are considered utilized against proof of acknowledgement of goods dispatch.

19.7 Retirement Benefits

The corporation has setup a separate Provident Fund Trust for its employees. Corporation's contribution to Provident Fund and Employees' Pension Scheme are charged to Income & Expenditure Account. Provisions for incremental liability in respect of Gratuity and encashable leave are made on the basis of actuarial valuation of liability up to the end of the financial year.

19.8 Foreign Currency Transactions

Revenue transactions denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time of transaction.

19.9 Research & Development

Revenue expenditure on Research and Development is charged as an expense in the year in which they are incurred. Capital Expenditure, if any, on Research & Development is shown as an addition to Fixed Assets.

19.10 Taxes on Income

Income Tax :

- (i) In view of provisions of section 10(23C) (III) and exemption granted under section 12AA of the Income Tax Act' 1961, the income of the corporation is exempt from the tax. Hence forth no provision is made for current/deferred tax.
- (ii) Interest payable / receivable on demand/refund is accounted for on as and when demanded/ granted.



**ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
KANPUR**

NOTE NO. 19 : SIGNIFICANT ACCOUNTING POLICIES (Contd....)

19.11 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not provided for but are disclosed in the notes on accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

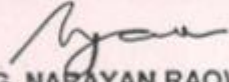
19.12 Prior Period Transactions

Prior period transactions, which are over Rs. 1.00 Lacs in each case are considered as such and disclosed under current year Income & Expenditure.

FOR AND ON BEHALF OF BOARD OF DIRECTORS


(ATUL RUSTAGI)
SENIOR MANAGER (FINANCE)


(PANKAJ JOSHI)
DIRECTOR


(G. NARAYAN RAO)
CHAIRMAN & MANAGING DIRECTOR

PLACE : KANPUR
DATED: 2/7/12

**IN TERMS OF OUR REPORT ATTACHED
FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 003724N**


(CA. MUKUL BHARGAVA)
PARTNER
MEMBERSHIP NO. 072757

ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTE NO. 20 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS

NOTE	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
20.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
(a)	Claims against the Company not acknowledged as debt On account of Industrial/Other disputes pending in various Court of law	45.50	45.50
(b)	Guarantees	0.00	0.00
(c)	Other money for which the Company is contingently liable	0.00	0.00
(ii)	Commitments		
(a)	Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	0.00	0.00
	Intangible assets	0.00	4.00
(b)	Uncalled liability on shares and other investments partly paid	0.00	0.00
(c)	Other commitments (specify nature)	0.00	0.00
NOTE	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
20.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
(i)	Principal amount remaining unpaid to any supplier as at the end of the accounting year	22.50	N.A.
(ii)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	0.00	0.00
(iii)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	0.00	0.00
(iv)	The amount of interest due and payable for the year	0.00	0.00
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	0.00	0.00
(vi)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	0.00	0.00
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.			



ARTIFICIAL LIMBS MANUFACTURING CORPORATION
KANPUR

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NOTE NO. 20 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd..)

NOTE	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
20.3	<u>Value of imports calculated on CIF basis</u>		
(i)	Raw materials	0.00	0.00
(ii)	Components	74.33	16.63
(iii)	Spare parts	0.00	0.00
	Total Components and spare parts	74.33	16.63
(iv)	Capital goods	0.00	0.00
20.4	<u>Details of consumption of imported and indigenous items</u>	FOR THE YEAR ENDED 31ST MARCH' 2012	
		(RS. IN LACS)	%
(A)	<u>Imported</u>		
(i)	Raw materials	0.00 (0.00)	0.00% (0.00%)
(ii)	Components	74.33 (16.63)	3.34% (1.20%)
(iii)	Spare parts	0.00 (0.00)	0.00% (0.00%)
	Total	74.33 (16.63)	2.20% (0.90%)
Note	Particulars		
(B)	<u>Indigenous</u>	FOR THE YEAR ENDED 31ST MARCH' 2012	
		(RS. IN LACS)	%
(i)	Raw materials	941.84 (363.21)	100.00% (100.00%)
(ii)	Components	2155.04 (1332.93)	96.66% (98.80%)
(iii)	Spare parts	184.64 (136.79)	100.00% 0
	Total	3281.52 (1832.93)	97.80% (99.10%)



ARTIFICIAL LIMBS MANUFACTURING CORPORATION OF INDIA
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NOTE NO. 20 : ADDITIONAL INFORMATION TO FINANCIAL STATEMENTS (Contd..)

NOTE	PARTICULARS	(RS. IN LACS)	
		AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
20.5	<u>Earnings in foreign exchange</u> Export of goods calculated on FOB basis	3.47	6.55
20.6	<u>Segment Information - AS 17</u> The Corporation is principally engaged in single business segment i.e. Artificial Limbs, Rehabilitation Aids and Components and operates in one Geographical segment.		
20.7	<u>Related Party Disclosure - AS 18</u> There are no transaction between any related party.		
20.8	Figures in bracket represents that of previous year.		
20.9	Previous year figures have been re-grouped, re-arranged and re-classified to make them comparable with that of current year figures		

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Atul Rustagi
(ATUL RUSTAGI)
(SENIOR MANAGER (FINANCE))



Pankaj Joshi
(PANKAJ JOSHI)
DIRECTOR

G. Narayan Rao
(G. NARAYAN RAO)
CHAIRMAN & MANAGING DIRECTOR

PLACE : KANPUR
DATED: 2/7/12

IN TERMS OF OUR REPORT ATTACHED
FOR SANJEEV BHARGAVA & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN - 003724N

Mukul Bhargava
(CA. MUKUL BHARGAVA)
PARTNER
MEMBERSHIP NO. 072757

