

# **CEL CENTURY EXTRUSIONS LIMITED**

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**TWELFTH ANNUAL REPORT  
1999-2000**



'99-2000

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## **CENTURY EXTRUSIONS LIMITED**

### **BOARD OF DIRECTORS**

M P Jhunjhunwala  
*Chairman & Managing Director*  
R K Datta  
R N Das  
P K Sengupta  
G S Agarwala  
V Jhunjhunwala

**VICE PRESIDENT (FINANCE),  
COMPANY SECRETARY  
&  
COMPLIANCE OFFICER**  
R K Saraogi

### **AUDITORS**

Khetawat & Associates  
*Chartered Accountants*  
310, Todi Chambers  
2, Lal Bazar Street  
Calcutta - 700 001

### **COST AUDITORS**

N Radhakrishnan & Co.  
*Cost Accountants*  
11A, Dover Lane, (Flat B1/34)  
Calcutta - 700 029

### **REGISTRARS**

**&**

### **'SHARE TRANSFER AGENTS**

ABC Computers Pvt. Ltd.  
National Council of Education, Bengal  
Jadavpur University Campus, Jadavpur  
Calcutta - 700 032

### **BANKERS**

State Bank of India  
Allahabad Bank

### **REGISTERED OFFICE**

113, Park Street  
'N' Block, 2nd Floor  
Calcutta - 700 016

### **WORKS**

WBIIDC Industrial Growth Centre  
Nimpura, Kharagpur  
Dist. Midnapore (W.B.)

**ALUMINIUM THE MOST ENVIRONMENT FRIENDLY METAL**

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## notice of the annual general meeting

**NOTICE** is hereby given that the TWELFTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday, the 21st September, 2000 at 10:00 a.m. at Gyan Manch Education Society, 11 Pretoria Street, Calcutta 700 071, to transact the following business :

**ORDINARY BUSINESS**

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri G.S. Agarwala who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri R.N. Das who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

**SPECIAL BUSINESS**

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

**"RESOLVED THAT** pursuant to the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification(s) or re-actment thereof) and the Memorandum of Association and Articles of Association of the Company and subject also to such other guidelines, approvals, permissions and sanctions, as may be necessary and subject to such condition(s) and modification(s) as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to issue and offer equity shares of the Company to the extent of Rs. 4,24,90,480 (Rupees Four Crores Twenty Four Lacs Ninety Thousand Four Hundred Eighty), in one or more tranches, on such terms and conditions as may be decided by the Board in its absolute discretion, to such persons, Bodies Corporate, Financial Institutions, Banks, Foreign Investors, Mutual Funds, Trusts and others whether shareholders of the Company or not, as the Board may deem fit, by private placement.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board be and is hereby authorised to do all acts, matters and things including allotments and execute all such documents, instruments and writings as it may in its absolute discretion deem necessary or desirable."

By Order of the Board

R.K. Saraogi

Vice President (Finance)  
& Company Secretary

Calcutta

Dated : 29th day of June, 2000

**notes**

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE

MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2000 to 21st September, 2000 (both days inclusive).
4. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
5. Members are requested to notify any change in their address to the Registrar and Share Transfer Agents of the Company and always quote their Folio Number in all correspondence with the Company.
6. With a view to serving the Members better and for administrative convenience, attempts have been made to consolidate the multiple folios. The Members who are still holding shares in identical names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.

**annexure to the notice****EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5**

The Company has incurred substantial losses over the last three years and there is urgent need to raise additional funds to retire part of debts and to augment working capital finance. The Company, therefore, intends to raise money by way of issue of equity shares to the persons whether they are members of the Company or not on the basis of Private Placement of shares to the extent of Rs. 4,24,90,480 (Rupees Four Crores Twenty Four Lacs Ninety Thousand Four Hundred Eighty).

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to increase the subscribed capital of the Company by allotment of further shares, such further shares shall be first offered to the persons who are, on the date of the offer, the holders of equity shares of the Company, unless the shareholders in a General Meeting decide otherwise.

The Listing Agreement also provides, inter alia, that the Company, in the first instance, should offer the proposed new shares to existing shareholders on pro rata basis, unless the shareholders decide otherwise in a General Meeting.

The Special Resolution under Section 81(1A) of the Companies Act, 1956 is proposed to be passed to enable the Board of Directors of the Company to issue and allot further shares to the persons other than mentioned under Section 81(1)(a) of the Companies Act, 1956.

The Board recommends the resolution for the approval of the shareholders.

The Directors of the Company may be deemed to be interested in the above resolution to the extent of their respective share holdings in the Company, if any.

By Order of the Board

R. K. Saraogi

Vice President (Finance)  
& Company Secretary

Calcutta

Dated : 29th day of June, 2000

ALUMINIUM THE MOST ENVIRONMENT FRIENDLY METAL

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**shareholders information****1. Annual General Meeting**

Date : 21st September, 2000

Time : 10:00 A.M.

Venue : Gyan Manch Education Society  
11 Pretoria Street  
Calcutta - 700 071

**2. Financial Calendar**

1999-2000

**3. Date of Book Closure**

From 16th September, 2000 to 21st September, 2000 (both days inclusive).

**4. Listing on Stock Exchanges & Stock Code**

The Equity Shares of the Company are listed at the following Stock Exchanges :

N a m e	Address	Code No.
The Calcutta Stock Exchange Association Ltd.	7 Lyons Range Calcutta - 700 001	13034
The Stock Exchange, Mumbai	Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001	-
The Delhi Stock Exchange Association Ltd.	DSE House 3/1 Asaf Ali Road New Delhi - 110 002	5992
The Stock Exchange, Ahmedabad	Manekchowk Ahmedabad - 380 001	-
National Stock Exchange of India Ltd.	Trade World Senapati Bapat Marg Lower Parel Mumbai - 400 013	C034

Annual listing fees have been paid to the above Stock Exchanges for the Financial Year 2000-2001.

**5. Monthly High and Low quotation of shares traded on National Stock Exchange of India Ltd.(NSE) for the year 1999-2000.**

Month	High Price	(in Rs) Low Price
April	-	-
May	6.50	0.60
June	9.00	3.35
July	7.00	2.75
August	6.30	2.95
September	4.00	0.10
October	6.50	0.05
November	5.50	3.35
December	7.00	4.05
January	7.20	3.50
February	5.90	4.00
March	4.25	3.50

**6. Registrars & Share Transfer Agent**

ABC Computers Pvt. Ltd.  
National Council of Education, Bengal  
Jadavpur University Campus  
Jadavpur, Calcutta 700 032

**7. Share Transfer System**

Shares are transferred at the meeting of the Share Transfer Committee of the Directors which generally meets at frequent interval.

**8. Shareholding Pattern as on 29th June, 2000**

Category	No. of shares held	% to paid-up Capital
a) Promoters, Relatives & Associates	4058075	52.36
b) Financial & Investment Institutions	453421	5.85
c) Mutual Funds	3300	0.04
d) Non-Resident Individuals	100	0.00
e) Bodies Corporates [other than covered in (a) & (b) above]	485801	6.27
f) Resident Individuals	2750255	35.48
<b>Total</b>	<b>7750952</b>	<b>100.00</b>

**9. Dematerialisation of Shares**

Shareholders are notified that in addition to the agreement with National Security Depository Ltd. (NSDL), the Company has also entered into an agreement with Central Depository Services (India) Ltd. (CDSL) at Phiroze jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023 for dematerialisation of its equity shares and the Registration No. granted is ISIN-INE281A01018. The shares of the Company are now available for trading in the dematerialised segment through both NSDL and CDSL. Further, shareholders are notified that the Securities & Exchange Board of India (SEBI) has mandated trading in shares of the Company by all institutions and all investors in compulsory dematerialised form from 8th May, 2000 onwards.

**10. Plant Location**

WBIIDC Industrial Growth Centre  
Nimpura, Kharagpur  
Dist. Midnapore, W.Bengal

**11. Address for Correspondence**

- i) Century Extrusions Ltd.  
113 Park Street  
'N' Block, 2nd Floor  
Calcutta 700 016  
Ph. Nos. : 229-1012/1291  
or  
ii) ABC Computers Pvt. Ltd.  
Unit : Century Extrusions Ltd.  
National Council of Education, Bengal  
Jadavpur University Campus  
Jadavpur  
Calcutta 700 032  
Ph. Nos. : 473-5363/1163

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directors' report

To the Members,

Your Directors present their Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2000.

#### FINANCIAL RESULTS

	1999-00 (Rs Lacs)	1998-99 (Rs Lacs)
Sales	2899.71	5606.12
Gross Loss before Interest & Depreciation	95.00	211.20
Add : Interest	286.50	260.11
Gross Loss	381.50	471.31
Add : Depreciation	111.73	137.50
Operating Loss	493.23	608.81
Add : Provision for Taxation	-	0.16
Net Loss	493.23	608.97
Income Tax Adjustment for earlier Year	4.15	-
Excise Duty under Kar Vivad Samadhan Scheme	-	75.70
Previous Year Adjustments	0.65	3.21
(Profit)/Loss Brought Forward	450.97	(236.91)
Balance of Loss carried to Balance Sheet	949.00	450.97

#### DIVIDEND

Due to continued operational losses, your Directors regret their inability to recommend any dividend for the year.

#### OPERATIONS

During the year under review, your Company could produce and sale 2555 MT of Aluminium Extrusions as against 5384 MT in 1998-99. The sales turnover was also lower at Rs. 29.00 crores as against Rs. 56.06 crores recorded in the previous year, with the result that the Company incurred loss of Rs. 95.00 lacs before interest and depreciation. The year under review was an extremely difficult year for the Company. With supply outstripping demand by a wide margin, there was cut-throat competition in the market. Due to losses in last two years, the Company faced working capital problems and could not operate its capacity even to the break-even level, leading to continued losses.

To aggravate matters, there was a labour unrest at the plant on the issue of revision in the long term wage agreement. In order to put pressure on the management, the workmen went on a strike from 25th February, 2000, which lasted till 13th April, 2000.

The Company has subsequently settled the issue agreeing in principle to a wage revision and will sign the formal agreement with the workers' unions in this regard early next month.

#### FINANCE

In order to overcome the tight working capital position, the Company has approached its Bankers for Working Capital Term Loan and re-scheduling of the existing Term Loan liability. The Company's proposal is under the active consideration of the Bankers and their favourable response is expected shortly.

#### FUTURE OUTLOOK

The general industrial scenario is changing for the better and the extrusions industry has also begun to show signs of improvement. The Company is having an order book position of around 2 to 4 weeks against hardly 2/3 days in the recent past. The average realisation has also improved. Once the arrangements for additional working capital are tied up, the Company's working is expected to show improvement.

#### Y2K COMPLIANCE

There was no disruption to our computer system at the time of roll over to the year 2000.

#### REPORT TO BIFR

The Company has made a report and submitted the same to the Board for Industrial and Financial Reconstruction (BIFR) on 21st October, 1999 under Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

#### DIRECTORS

Shri N. Ganga Ram resigned from the Board w.e.f. 22nd March, 2000. The Board records its sincere appreciation of the valuable contribution made by Shri N. Ganga Ram during his tenure as a Director.

Shri G.S. Agarwala and Shri R.N. Das, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

#### AUDITORS

M/s. Khetawat & Associates, Auditors of the Company, will retire at the forthcoming Annual General Meeting and are eligible for re-appointment. The Members are requested to appoint Auditors and authorise the Board to fix their remuneration.

#### COST AUDITORS

As per the directive of Central Government pursuant to the provisions of Section 233B of the Companies Act, 1956 your Directors have re-appointed M/s. N Radhakrishnan & Co. a firm of Cost Accountants, to conduct the audit for the year ended 31st March, 2000.

#### PUBLIC DEPOSITS

The Company did not invite or accept any deposit from the public under Section 58A of the Companies Act, 1956.

#### AUDITORS' REPORT

As regards the observations made by the Auditors in Para 2.5 and 2.6 of their Report, the Directors consider the relevant Notes as self-explanatory with no need for any further comments under Section 217(3) of the Companies Act, 1956.

#### ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed hereto and form part of this Report.

#### PARTICULARS OF EMPLOYEES

The company had no employee of the category indicated under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time.

#### ACKNOWLEDGMENT

The Directors wish to record their thanks to State Bank of India, Allahabad Bank, West Bengal Industrial Development Corpn. Ltd. (WBIDC), the Central and the State Governments, customers, suppliers and shareholders for their continued support during the year. Employer-Employee relations remained generally cordial except for the workmen's agitation for increase in wages and the Directors express their appreciation of the efforts put in by the employees at all levels.

For and on behalf of the  
Board of Directors

Calcutta

Dated : 29th day of June, 2000

M.P. Jhunjhunwala

Chairman & Managing Director