




THIRTEENTH ANNUAL REPORT  
2000-2001

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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  
Kolkata - 700 001

### **COST AUDITORS**

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

### **REGISTRARS**

**&**

### **SHARE TRANSFER AGENTS**

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

### **BANKERS**


State Bank of India  
Allahabad Bank

### **REGISTERED OFFICE**

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

### **WORKS**

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

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### notice of the annual general meeting

**NOTICE** is hereby given that the THIRTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Thursday the 13th September, 2001 at 10:00 a.m. at Gyan Manch Education Society, 11 Pretoria Street, Kolkata 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, 2001 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 R K Datta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri V Jhunjhunwala 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.

By Order of the Board

Kolkata  
Dated : 22nd day of June , 2001

R K Saraogi  
Vice President (Finance)  
& Company Secretary

#### NOTES :

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 1st September, 2001 to 13th September, 2001 (both days inclusive).
3. 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.
4. Members, who hold the shares in dematerialised form are requested to bring their client ID and DPID Nos. for easier identification of attendance at the meeting.
5. Members who hold shares in physical form 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 hold shares in physical form and who are still holding shares in identical names in more than one folio are requested to write to the Company or the Registrar and Share Transfer Agents to enable the Company to consolidate their holdings in one folio.

By Order of the Board

Kolkata  
Dated : 22nd day of June, 2001

R K Saraogi  
Vice President (Finance)  
& Company Secretary

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

Date : 13th September, 2001  
 Time : 10:00 A.M.  
 Venue : Gyan Manch Education Society  
 11 Pretoria Street  
 Kolkata - 700 071

**2. Financial Calendar**  
2000-01**3. Date of Book Closure**

From 1st September, 2001 to 13th September, 2001 (both days inclusive)

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

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

Name	Address	Code No.
The Calcutta Stock Exchange Association Ltd.	7 Lyons Range Kolkata - 700 001	13034
The Stock Exchange, Mumbai	P J 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	Kamdhenu Complex Opp. Sahjanand College Panjarapole Ahmedabad - 380 015	—
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 Stock Exchanges for the Financial Year 2001-02 except the Delhi Stock Exchange Association Ltd. (Paid up to the financial year 2000-01).

**5. Monthly High and Low quotation of shares traded on National Stock Exchange of India Ltd. (NSE) for the year 2000-01.**

Month	High Price	Low Price (in Rs)
April	4.15	1.50
May	3.00	2.00
June	2.65	2.60
July	2.65	2.60
August	2.70	2.50
September	3.00	2.60
October	—	—
November	—	—
December	6.00	0.75
January	1.15	0.10
February	4.30	0.60
March	2.75	1.00

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**6. Registrars & Share Transfer Agent**

ABC Computers Pvt. Ltd.  
National Council of Education, Bengal  
Jadavpur University Campus  
Jadavpur, Kolkata - 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. Audit Committee**

In line with the requirements of the Corporate Governance relating to Listing Agreement and Section 292A of the Companies Act, 1956 the Board has constituted an Audit Committee comprising the following non-executive with majority of independent member Directors:

Shri R K Datta – Chairman  
Shri P K Sengupta  
Shri R N Das  
Sri G S Agarwala  
Sri V Jhunjhunwala

The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirements of the said Act and the Listing Agreement.

**9. Shareholding Pattern as on 31st March, 2001**

Category	No. of Shares held	% to paid-up Capital
a. Promoters, Relatives and Associates	6155697	51.30
b. Financial & Investment Institutions	454421	3.78
c. Mutual Funds	3300	0.03
d. Non-Resident Individuals	—	—
e. Bodies Corporates [other than covered in (a) & (b) above]	2877450	23.98
f. Resident Individuals	2509132	20.91
<b>Total</b>	<b>12000000</b>	<b>100.00</b>

**10. Dematerialisation of Shares**

Company's shares are available for trading in dematerialised segment through both National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Registration No. granted by both NSDL and CDSL is ISIN-INE281A01018. Nearly, 60.30% of total equity shares have been dematerialised as on 31st March, 2001.

**11. Plant Location**

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

**12. Address for Correspondence**

- i. Century Extrusions Ltd  
113 Park Street  
'N' Block, 2nd Floor  
Kolkata 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  
Kolkata - 700 032  
Ph Nos.:473-5363/1163



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**directors' report**

To the Members,

Your Directors present their Thirteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2001.

**FINANCIAL RESULTS**

	2000-01 (Rs. Lacs)	1999-00 (Rs. Lacs)
Sales	<b>3515.43</b>	2899.71
Gross Loss before Interest & Depreciation	<b>174.19</b>	95.00
Add : Interest	<b>272.55</b>	286.50
Gross Loss	<b>446.74</b>	381.50
Add : Depreciation	<b>109.01</b>	111.73
Net Loss	<b>555.75</b>	493.23
Income Tax Adjustment for Earlier Year	<b>(0.16)</b>	4.15
Previous Year Adjustments	<b>10.93</b>	0.65
Write down of Long Term Investments	<b>9.06</b>	-
(Profit)/Loss Brought Forward	<b>949.00</b>	450.97
Balance of Loss carried to Balance Sheet	<b>1524.58</b>	949.00

**DIVIDEND**

Due to accumulated 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 2799 MT of Aluminium Extrusions as against 2555 MT in 1999-2000. The sales turnover was Rs. 35.15 crores as against Rs. 29.00 crores in the previous year. The Company has incurred loss of Rs. 174 lacs before interest and depreciation. The year under review continued to be a period of extreme difficulty for the Company. The supply of aluminium extrusions continues to outstrip demand by a wide margin. The current year has been fourth continuous year of losses for the Company. As a result the financial position of the Company has considerably deteriorated and the Company is facing acute working capital problems. The Company is unable to improve the level of capacity utilisation and is operating far below the break-even level resulting in continued losses.

The market for Aluminium Extrusions continues to be extremely competitive, and the management feels that in order to compete in the market, there is urgent need for improvement in operating efficiencies and for reduction in costs. To be cost effective, there is urgent need for investment in certain capital equipment for plant upgradation, which are under evaluation. The Company hopes to get the required finance by raising further funds from promoters and also from the Government of West Bengal on soft terms as per their declared policy. The management has also taken various measures to reduce costs which would have some impact in reducing the losses from the current financial year 2001-02.

There was also a labour unrest at the plant on the issue of the Company taking disciplinary action against certain erring workmen. In order to put pressure on the management, the workmen went on strike from 9th January, 2001 which lasted till 26th January, 2001. However, subsequently the workmen realised that the management had taken correct steps and the matter was amicably resolved.

**FINANCE**

The Company's Bankers had approved a package for rehabilitation of the Company in February, 2001. The rehabilitation package envisaged infusion of Rs. 4.24 crores in form of equity capital and Rs. 50 lacs in form of unsecured loan before 31st March 2001, which the promoters arranged as per terms of the scheme. The Company's Banks had to release non-fund based facilities of Rs 12 crores on the Company making upfront payment of Rs. 137 lacs. Unfortunately, the losses of the Company were much higher than the amount envisaged in the scheme and, therefore, the Company could not make the upfront payment and as a result the scheme could not be implemented.

The Company is now in the process of submitting a fresh rehabilitation scheme which envisages further investment by promoters, certain sacrifices by the Banks and certain assistance from the Government of West Bengal as per their declared policy. It is hoped that the revised scheme would be accepted by all concerned which should help the Company to achieve turnaround in its fortunes.

**REFERENCE TO BIFR**

As the accumulated losses of the Company exceeded its entire networth at the end of audited accounts for the year ended 31st March 2001, the Company is covered under the definition of 'Sick Industrial Company' in terms of section 3(1)(o) of the Sick Industrial Companies (Special provisions) Act, 1985 (SICA). It is, therefore, necessary for the Company to make a reference to Board for Industrial & Financial Reconstruction (BIFR) under the provisions of SICA. The Board of Directors has, therefore, decided to submit necessary Report of Company's sickness to BIFR.

**DIRECTORS**

Shri R K Datta and Shri V Jhunjhunwala, 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.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Directors hereby confirm :

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis.

**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, 2001.

**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 2.6 and 2.7 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 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 Director

M P Jhunjhunwala  
Chairman & Managing Director

Kolkata  
Dated : 22nd day of June, 2001

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**Annexure to Directors' Report**

**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.**

**A. CONSERVATION OF ENERGY :**

- a) Energy Conservation measures taken:-
- Maintaining overall plant power factor to 0.98.
  - Keeping maximum demand within limits by staggering the loads as much as practicable.
  - The Company's factory operated at an extremely low capacity utilisation. Our efforts have been to minimise the power consumption per ton of production in spite of the serious handicap in improving efficiencies due to low production level.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:-
- Due to the extremely tight financial position of the Company, no significant investment proposals are being considered presently.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:-
- Rebate of maximum 2.5% from the Electricity Board for the improvement in the plant power factor.
  - Controlling the Maximum Demand (KVA) charges at the lowest level.
  - The electricity consumption per ton of production was lower in comparison to last year.
- d) Total energy consumption and energy consumption per unit of production :-

	Furnace Oil LTR/T	Electrical Energy KWH/T
1999-2000	205	1923
2000-2001	229	1839

In spite of energy conservation measures, the Furnace Oil consumption per ton of production has increased. This is because of greater use of aluminium scrap for melting in addition to ingots compared to the last year.

**B. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption are given in prescribed Form - B annexed.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- a) Activities relating to exports: initiatives taken to increase exports, development of new export markets for products and services, and export plans.
- The Company was not successful in its efforts to enter the export market.
- b) Total foreign exchange used and earned :

	Current Year (Rs. in lacs)	Previous year (Rs. in lacs)
Used	279.66	95.27
Earned	-	0.30

**FORM - A**  
See Rule 2

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY****A. Power and Fuel Consumption**

	Current Year	Previous Year
1. Electricity		
(a) Purchased		
Units (KWH) in thousands	5133	4902
Total amount Rs. in thousands	19707	19403
Rate/Unit Rupees	3.83	3.95