



Fourteenth Annual Report
2001-2002

Report  junction.com

annual report • century extrusions ltd.

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

AUDITORS

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

COST AUDITORS

N Radhakrishnan & Co.
Cost Accountant
11A, Dover Lane, (Flat B1/B4)
Kolkata - 700 029

REGISTRAR

&

SHARE TRANSFER AGENTS

AXC Computer Pvt. Ltd.
National Council of Education Building,
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. Midnapur (W.B.)

Report  Junction.com

annual report • century extrusions ltd.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the FOURTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 27th September 2002 at 10.00 a.m. at the Bhartiya Bhasha Parishad (Sitaram Sekseria Auditorium), 36A Shakespeare Sarani, Calcutta 700 017, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2002 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 Sri P K Sengupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri G S Agarwala 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 an Ordinary Resolution:

"RESOLVED that subject to the approval of the Central Government and such other consents, permissions and approvals as may be required, and pursuant to the provisions of Section 198, 269, 309, 310 and 311 and all other applicable provisions of the Companies Act, 1956 (hereinafter referred to as 'the Act'), the Company hereby approves and ratifies the revision in the remuneration of Sri M P Jhunjhunwala, Chairman & Managing Director of the Company, with effect from 1st April, 2002 to 28th February, 2004 as set out in the Supplemental Agreement entered into between the Company and Sri M P Jhunjhunwala.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution."

Kolkata
Dated : 22nd August 2002

By Order of the Board
(M. P. Jhunjhunwala)
Chairman & Managing Director

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 25th September, 2002 to 27th September, 2002 (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, 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.
6. 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.
7. 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.
8. Re-appointment of Directors:

The brief particulars of the Directors of the Company, retiring by rotation and proposed to be re-appointed at the ensuing Annual General Meeting are furnished under the Corporate Governance Report.
9. This notice itself may kindly be treated as an abstract under section 302 of the Companies Act, 1956, as far as the agenda No. 5 is concerned.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5:

The Remuneration Committee at its meeting held on 20th August, 2002 proposed to revise the remuneration of Sri M P Jhunjhunwala, Chairman & Managing Director of the Company subject to approval of the same by the Board of Directors. The recommendation of the Remuneration Committee was considered by the Board of Directors at its meeting held on 22nd August, 2002. The Board approved revision of the remuneration payable / paid to Sri M P Jhunjhunwala for the period from 1st April, 2002 to 28th February, 2004 the details of which are contained in the Supplemental Agreement entered into by the Company with Sri M P Jhunjhunwala on 22nd August, 2002. The Supplemental Agreement provides for the increase in the Basic Salary from Rs. 5000/- p.m. to Rs. 30,000/- p.m. The value of perquisites linked to basic salary would also accordingly change.

The principal terms and conditions set out in the aforesaid Supplemental Agreement are as follows:

SALARY & PERQUISITES:

- a) Salary: Rs. 30,000/- per month.
- b) Perquisites: Perquisites shall be restricted to an amount equivalent to annual salary or Rs. 3,60,000/- per annum, whichever is less.

PART – A

- I. Housing :
 - (a) House Rent Allowance at the rate of 60% of the salary. If, however, the accommodation is owned or hired by the Company, no such allowance will be payable and 10% of the salary of Shri M P Jhunjhunwala will be deducted by the Company. The expenditure incurred by the Company for hiring furnished accommodation in Kolkata shall be subject to ceiling of 60% of the salary of Shri M P Jhunjhunwala
 - (b) Gas, electricity, water and furnishings in respect of the accommodation of Shri M P Jhunjhunwala will be subject to a ceiling of 10% of his salary.
- II. Medical Reimbursement : Expenses incurred for Shri M P Jhunjhunwala and his family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
- III. Leave Travel Concession : For Shri M P Jhunjhunwala and his family, once in a year incurred in accordance with the Rules of the Company.
- IV. Club Fees : Fees for Clubs subject to a maximum of 2 Clubs. This will not include admission and life membership fees.
- V. Personal Accident Insurance : Personal accident insurance for an amount, annual

annual report • century extrusions ltd.

premium of which does not exceed Rs. 1000/-

For the purposes of the aforesaid PART-A, "family" shall mean, wife and dependent children of Shri M P Jhunjhunwala.

PART - B

- I. Provident Fund, Superannuation Fund or Annuity Fund : Company's contribution to Provident Fund, Superannuation or Annuity Fund will not be included in computation of ceiling on perquisites viz. Rs.3,60,000/- per annum, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- II. Gratuity : Not exceeding half month's salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/-
These facilities will not be considered as perquisites.

PART - C

- I. Car : Provision of car for use on the Company's business.
- II. Telephone : Provision of telephone(s) at residence.
These facilities will not be considered as perquisites.

OTHER BENEFITS

LEAVE

Shri M P Jhunjhunwala will be entitled to leave on full pay and allowances as per the Rules of the Company, but not exceeding one month's leave for every eleven month's of service. Encashment of leave at the end of the tenure will not be considered as perquisite.

SITTING FEES

Shri M P Jhunjhunwala will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Shri M P Jhunjhunwala will be reimbursed the entertainment and other expenses actually incurred for the business of the company subject to such limits as may be fixed by the Board from time to time.

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

None of the Directors except Shri M P Jhunjhunwala and Shri V Jhunjhunwala is concerned or interested in this resolution.

By Order of the Board

Kolkata

Dated: 22nd August 2002

M P Jhunjhunwala

Chairman & Managing Director

annual report • century extrusions ltd.

DIRECTORS' REPORT

To the Members,

Your Directors present their Fourteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-02 (Rs. Lacs)	2000-01 (Rs. Lacs)
Sales	3642.24	3515.43
Gross Loss before Interest & Depreciation	203.45	174.19
Add : Interest	321.79	272.55
Gross Loss	525.24	446.74
Add : Depreciation	116.28	109.01
Net Loss	641.52	555.75
Income Tax Adjustment for Earlier Year	—	(0.16)
Previous Year Adjustments	45.84	10.93
Write down of Long Term Investments	—	9.06
(Profit)/Loss Brought Forward	1524.58	949.00
Balance of Loss carried to Balance Sheet	2211.94	1524.58

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 3037MT of Aluminium Extrusions as against 2799 MT in 2000-01. The sales turnover was Rs. 3642.24 lacs as against Rs. 3515.43 lacs in the previous year. The Company has incurred loss of Rs.203.45 lacs before interest and depreciation.

The Company continued to have problem in increasing its market share due to extremely un-remunerative prices for its products. The additional orders to increase capacity utilisation could have been procured at prices which would not even have covered the variable costs. Hence, in spite of having substantial surplus capacity, production could not be increased.

The Company was successful in cutting its costs under almost all heads, as would be evident from the details of cost given in the audited accounts. However, operating loss for the year was still higher, due to further decrease in the value addition over the cost of raw material, as compared to last year. The interest cost increased substantially

annual report • century extrusions ltd.

due to compounding of interest as a result of cash losses suffered over last 4 years, and therefore net loss has further increased.

There has been a change in the fortunes of extrusions industry during the new financial year 2002-03, which has happened due to production cut and increase in sales price by a large extrusion manufacturing company in India, and simultaneous increase in the sale price by all other extrusion manufacturers in India. Your Company has been able to increase its price realisation and also increase the level of capacity utilisation. The financial results for the new financial year are, therefore, expected to show significant improvement.

However, the Company needs large infusion of low interest bearing / interest free funds to reduce its bloated interest burden, augment the working capital resources and to install certain new equipment which would help the Company to improve its efficiencies, and to return to profitability.

FINANCE

Due to the cash losses suffered over last 4 years, and further cash loss incurred during the year under review, the Company faced severe constraints in managing its working capital requirement.

The Company has submitted a fresh rehabilitation scheme to its bankers, viz. State Bank of India and Allahabad Bank which envisage further investment by promoters, certain sacrifices by the Bankers 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 a turnaround in its fortunes.

REFERENCE TO BIFR

The total accumulated losses of the Company had exceeded its net worth as at the end of the financial year 2000-2001 and accordingly the Company had become a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The Company has already made a reference to the Board for Industrial and Financial Reconstruction (BIFR) u/s 15 of SICA and the BIFR has registered the reference.

DIRECTORS

Shri P K Sengupta and Shri G S Agarwala, Directors retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

annual report • century extrusions ltd.

- ii. that the selected accounting policies were applied consistently and the directors 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 as at March 31, 2002 and of the profit or loss of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

AUDITORS / AUDITORS' REPORT

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.

As regards the observation made by the Auditors in para 2.6 of their report, the Directors consider that explanation given in Note 6 to the Notes to Accounts in Schedule 18 to be self-explanatory, and therefore, do not call for any further comments.

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, 2002.

PUBLIC DEPOSITS

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

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

The company had no employee of the category indicated under Section 217(2A) of the Companies Act, 1956.

The 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 is set out in a separate statement, attached to this report.

CORPORATE GOVERNANCE

Your company has complied with the Corporate Governance code prescribed by the Stock Exchanges, during the current financial year. A detailed report on corporate Governance along with Auditors' Certificate on compliance with the mandatory recommendations on Corporate Governance is annexed to this report.

annual report • century extrusions ltd.

ACKNOWLEDGMENT

The Board of Directors places on record its sincere appreciation for continued support from State Bank of India, Allahabad Bank, the Govt. of West Bengal, shareholders, customers, suppliers, and other business associates. The Board also accords its appreciation of the support from the employees at all levels.

*For and on behalf of
the Board of Directors*

Kolkata
Dated : 22nd August 2002

M P Jhunjhunwala
Chairman & Managing Director

ANNEXURES TO DIRECTORS' REPORT

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Century Extrusions Limited

We have reviewed the compliance of conditions of Corporate Governance by Century Extrusions Limited for the year ended 31st March, 2002, as stipulated in clause 49 of the listing agreement of the Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We certify that the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with Stock Exchanges have been complied with in all respects by the Company.

For KHETAWAT & ASSOCIATES
Chartered Accountants
A K Khetawat
Partner

Place : Kolkata
Dated: 22nd August, 2002

Report  Junction.com