



Fifteenth Annual Report
2002-2003

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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

COMPANY SECRETARY

Sumit Modi

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

MCS Limited
77/2A, Hazra Road
Kolkata - 700 029

BANKERS

State Bank of India
Allahabad Bank

REGISTERED OFFICE

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

WORKS

WBHDC Industrial Growth Centre
Nimpura, Kharagpur
Dist. Midnapur (W.B.)

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NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 26th September 2003 at 10.00 a.m. at Gorky Sadan, 3, Gorky Terrace, Kolkata – 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, 2003 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 R N Das who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri R K Datta 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 the company hereby accords its approval to the re-appointment of Shri M P Jhunjhunwala, as Managing Director of the Company for a period of five years with effect from 1st March 2004 on the terms and conditions, including remuneration as embodied in the Draft Agreement to be entered into between the Company and Shri M P Jhunjhunwala, a copy whereof initialed by the Chairman is placed before this meeting.”

By Order of the Board

Kolkata
Dated : 19th August, 2003

Sumit Modi
Company Secretary

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 24th September, 2003 to 26th September, 2003 (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 DP ID 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 may 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 :

Considering the valubale services rendered to the company by Shri M P Jhunjhunwala, the Board of Directors at its meeting held on 19th August, 2003, approved, subject to the approval of the members of the company, the re-appointment of Shri M P Jhunjhunwala as Managing Director of the Company for a period of 5 years commencing from 1st March, 2004 subject to the following terms and conditions :

- 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 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.

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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. Use of car for private purposes shall be billed by the company to Shri M. P. Jhunjhunwala.
- II. Telephone : Provision of telephone(s) at residence. Personal long distance calls on telephone(s) shall be billed by the company to Shri M. P. Jhunjhunwala.

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 : 19th August, 2003

Sumit Modi
Company Secretary

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DIRECTORS' REPORT

To the Members,

Your Directors present their Fifteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS

	2002-03 (Rs. Lacs)	2001-02 (Rs. Lacs)
Sales	6668.41	3642.24
Profit / (Loss) before Interest & Depreciation	10.20	(203.45)
Add : Interest	365.31	321.79
Profit / (Loss) before Depreciation	(355.11)	(525.24)
Depreciation	148.45	116.28
Net Profit / (Loss)	(503.56)	(641.52)
Income Tax Adjustment for Earlier Year	(0.20)	—
Previous Year Adjustments	(1.69)	(45.84)
Profit/(Loss) Brought Forward	(2211.94)	(1524.58)
Balance of Profit / (Loss) carried to Balance Sheet	(2717.39)	(2211.94)

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 produced and sold 5583 MT of Aluminium Extrusions as against 3035 MT in 2001-02. The sales turnover was Rs.6668.41.lacs as against Rs. 3642.24 lacs in the previous year. The Company earned an operating profit of Rs.10.20 lacs (before interest and depreciation).

There was an improvement in the market scenario and your Company was able to increase its price realisation and also significantly increase its level of capacity utilisation. The Company could not get full benefit of better market conditions due to non-availability of adequate working capital finance. Further, the interest cost remains extremely high due to compounding of interest as a result of cash losses incurred over last 5 years.

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 5 years, and further cash loss incurred during the year under review, the Company continues to face severe constraints in managing its working capital requirement.

As informed to you through the previous directors' report, the Company had submitted a rehabilitation scheme to its bankers, viz. State Bank of India and Allahabad Bank. The Company had also approached the Government of West Bengal for assistance under the West Bengal Industrial Renewal Scheme 2001. After a long period of negotiations, the Company has formulated a comprehensive Rehabilitation Scheme, the important features of which are narrated below:

- i) The Company's Bankers to settle their entire pegged dues of Rs.25.11 crores (of which a sum of Rs. 1.37 crores was already deposited by the Company with the Banks) as on 31st March, 2002 at Rs.14.84 crores..
- ii) The Banks to provide a fresh non-fund base facility of Rs.6.00 crores to part finance the Company's working capital requirement.
- iii) The Govt. of West Bengal to provide a soft loan of Rs.5.00 crores to part finance the Company's working capital requirement and to extend other relief and concessions as per its declared policy.
- iv) The Company's present equity capital to be written off against the accumulated losses to the extent of 90% of its paid up value and the Reserves to be fully written off against the accumulated losses.
- v) Fresh Equity Capital of Rs.3.50 crores to be introduced in the company after reduction of present capital as mentioned above.

The Rehabilitation Scheme has been approved by the Company's Bankers and has been approved 'in-principle' by the Govt. of West Bengal. The shareholders had approved the reduction of capital at the extra-ordinary general meeting held on 24th June 2003. The scheme has been submitted for consideration and approval of the BIFR under section 17(2) of the Sick Industrial Companies (Special Provisions) Act 1985.

REFERENCE TO BIFR

As mentioned in the previous directors' report, the Company had made a reference to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The BIFR has, at its meeting held on 30th December 2002 declared the Company to be a 'sick industrial company' in terms of section 3(1)(o) of SICA. The BIFR vide its said order, directed the Company to submit a fully tied up rehabilitation scheme under Section 17(2) of the SICA. The Company has submitted a rehabilitation scheme as per the details mentioned above and the same is awaiting approval from the BIFR.

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DIRECTORS

Shri R N Das and Shri R K Datta, 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;
- 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, 2003 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 5 and 7 to the Notes to Accounts in Schedule 17 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, 2003.

PUBLIC DEPOSITS

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

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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. A detailed report on corporate Governance along with Auditors' Certificate on compliance with the mandatory recommendations on Corporate Governance is annexed to this report.

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 : 19th August, 2003

M P Jhunjhunwala
Chairman & Managing Director

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:-
 - i) Managing the plant load factor and the maximum demand to get the rebate allowed by the Electricity Board.