



**CENTURY
EXTRUSIONS
LIMITED**



Nineteenth Annual Report
2006-2007



CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G Todi
R N Das
V K Mushran
V Jhunjhunwala
M P Jhunjhunwala - *Chairman & Managing Director*

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Kailash Baheti

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

WBIIDC 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 **NINETEENTH ANNUAL GENERAL MEETING** of the Members of the Company will be held on Friday, the 27th July 2007 at 10:30 AM at Bharatiya Bhasha Parishad, (Sitaram Seksaria Auditorium), at 36A Shakespeare Sarani, Kolkata – 700017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2007 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 M G Todi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri 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, the following resolution as a Special resolution :

RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, the company hereby approves remuneration payable to Sri M P Jhunjhunwala with effect from April 1, 2007 until the expiry of his term of appointment i.e. until August 20, 2009, as set out in the Supplemental Agreement dated 9th August 2006 entered into between the company and Sri M P Jhunjhunwala, with a liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Sri M P Jhunjhunwala.

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Dated : 31st May 2007

By Order of the Board

Sumit Modi

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 24th July 2007 to 27th July 2007 (both days inclusive) for AGM.
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 DP ID 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. Re-appointment of Directors:
Brief particulars of the Directors of the Company proposed to be appointed or re-appointed at the ensuing Annual General Meeting are furnished under the Corporate Governance Report.
7. The notice itself may kindly be treated as an abstract under section 302 of the Companies Act, 1956 as far as Agenda No. 5 is concerned.



ANNEXURE TO THE NOTICE

ANNEXURE TO THE NOTICE

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

ITEM NO. 5

Sri M P Jhunjhunwala was appointed as Chairman and Managing Director with effect from 21st August 2004. He is being paid a basic salary of Rs.1,00,000/- per month and perquisites as per terms of the supplemental agreement dated 9th August 2006 with necessary approvals of the Board of Directors and Members of the Company.

Unfortunately, the profit of the Company for the financial year 2006-07 was not adequate for payment of the approved salary as per provisions of Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 and accordingly Mr. Jhunjhunwala had to refund a sum of Rs 5.67 lacs to the Company out of the salary paid to him for the year 2006 – 07.

In order to overcome any similar difficulty to pay the remuneration to the Managing Director, the Board of Directors of the Company have, upon recommendation of the remuneration committee, decided to seek shareholders approval for payment of remuneration to the Managing Director under Clause 1(B) of Section II of Part II of Schedule XIII, until the expiry of his term of appointment on 20th August, 2009.

The details required in a Statement as per Clause 1(B) of Section II of Part II of Schedule XIII are as hereunder :

- a) General Information : The Company is engaged in manufacture of aluminium extruded products at its factory located at Kharagpur in West Bengal. The Company had commenced commercial operation in 1991 with two extrusion press lines of 900MT and 1620MT press capacities. The Company expanded its capacity by installing a 3rd press line with 1250MT capacity press in 1997. Subsequently, the 900MT press had become inefficient and the Company had stopped its operation in 2001 and this press line was disposed off in the year 2005 – 06. As such, the Company presently has only two press lines of 1620MT & 1250MT press capacities respectively.

The company achieved a sales revenue of Rs 11870 lacs as against Rs 9678 lacs in the previous year. The operating profit for the year was Rs. 550 Lacs as against Rs. 522 Lacs in the previous year.

The Company has not achieved much success in its efforts to enter the export market. The Company has no foreign collaboration at present.

- b) Information about the Appointee : Sri M P Jhunjhunwala aged about 68 years is an arts graduate and has been associated with aluminium industry for over 35 years. He is also the promoter of the Company and has been working as Managing Director of the Company since 1st march 1989. Considering the experience of Sri Jhunjhunwala and the fact that he is associated with the company as Managing Director for over 18 years the remuneration proposed to be paid to him is very reasonable.
- c) Other Information: Due to past losses and consequent financial constraints, the Company could not make any significant capital investment for almost ten years, and is having constraints on available capacity. In the meantime, the overheads have significantly increased resulting in lower and inadequate profits.

The Company is presently considering expansion of capacity by installing a 3rd Extrusion Press Line. Upon the expanded capacity coming into operation, the overheads will be distributed over a much larger capacity, thus significantly improving the profitability of the Company.

The proposed expansion plan is to double the Company's installed capacity from 7500MT to 15000MT per annum. The production is expected to double from the current level over a period of 3 years. The profits are expected to increase more than proportionately.

The principal terms and conditions set out in the aforesaid supplemental agreement are as follows :



SALARY & PERQUISITES:

Basic Salary: Rs. 1,00,000/- per month. (in the scale of Rs 1,00,000/- to 3,00,000/-)

PART – A

Perquisites:

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) The Company shall bear the cost of gas, electricity, water and furnishings in respect of the accommodation of Shri Jhunjhunwala.

II. Medical Reimbursement : Expenses incurred for Shri M P Jhunjhunwala and his family.

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.

V. Personal Accident Insurance : Personal accident insurance for an amount, annual premium of which does not exceed Rs. 10,000/-.

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.6,00,000/- 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.

Shri M P Jhunjhunwala and his son Shri Vikram Jhunjhunwala may be considered to be concerned or interested in the above resolution. None of the other directors is concerned or interested in the resolution.

The Board recommends the resolution set forth in item 5 for the approval of the members.

By Order of the Board

Kolkata

Sumit Modi

Dated : 31st May 2007

Company Secretary

DIRECTORS' REPORT

To the Members,

We are happy to present our report on the business and operations of the Company for the year ended 31st March 2007.

Financial Results

Year ended March 31	In Rs. lacs, except per share data	
	2007	2006
Sales	11871	9678
Profit before Interest, Depreciation and Impairment of Assets	550	522
Interest	95	101
Profit before Depreciation	455	421
Depreciation and Impairment of Assets	75	83
Net Profit	380	338
Payment against Settlement of Right Of Recompense	103	—
Provision for Taxation	60	(241)
Profit after Tax	217	579
Previous Year Adjustments	—	1
Profit/(Loss) brought forward	293	(287)
Balance of Profit carried to Balance Sheet	510	293

Dividend

The Company has earned a Profit before Tax of Rs.380 lacs for the year. Out of this, a significant sum of Rs.103 lacs has been used for payment for settlement of the 'Right of Recompense'. The Company has significant expansion plans, and needs to preserve its resources for the same. We are, therefore, unable to recommend any dividend for the year under review.

Directors

During the year Mr P K Sengupta retired from the Board. Mr Sengupta was associated with the company since its inception, first as a technical consultant in which capacity he had the primary responsibility to design and implement the project, and subsequently as a director. He actively participated in the deliberations of the Board and we benefited immensely from his insights. We place on record our deep appreciation for the valuable services rendered by Sri P K Sengupta during his tenure on the Board.

Mr R N Das and Mr M G Todi, retires from directorship of the Company by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the selected accounting policies were applied consistently and the directors made judgments 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, 2007 and of the profit or loss of the Company for the year ended on that date;
- 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;
- that the annual accounts have been prepared on a going concern basis.



Auditors / Auditors' Report

The auditors, M/s. Khetawat & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

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, 2007.

BIFR status

The company's networth had turned positive as on 31.3.2006 and accordingly the Company was discharged from the purview of Board for Industrial and Financial Reconstruction vide its Order No. 17(2)/60/R-III/BIFR/ Mon-3/2003 dated 18.07.2006.

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. 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

We would like to take this opportunity to place on record our sincere appreciation for the total commitment, dedication and hard work put in by every member of Century family.

We wish to express our deep sense of gratitude to our customers, vendors, investors and bankers for their continued support during the year.

We also thank the Government of India, the Customs and Excise Departments, the Sales Tax Department, the Income Tax Department, the State Government and other government agencies for their support, and look forward to their continued support in the future.

For and on behalf of
the Board of Directors

M P Jhunjhunwala
Chairman & Managing Director

Kolkata
Dated: 31st May 2007



ANNEXURE TO DIRECTOR'S 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:

Heating element and refractory lining of homogenizing furnace no. 2 have been revamped. Following the revamp the power consumption has gone down by 60 units/MT of homogenized log.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Variable frequency drive was installed in a bull-block in the month of Jan. '07. It is proposed to replace motor starters of remaining three units.

- 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:

i) Reduction in the energy cost of homogenization of billets.

ii) Saving in the consumption of electrical switchgear.

- d) Total energy consumption and energy consumption per unit of production:-

Information is given in prescribed Form-A annexed. The summary is given hereunder:

	Furnace Oil LTR/MT of logs produced	Electrical Energy KWH/MT of extrusions produced
2006-2007	119	1243
2005-2006	131	1119

B. TECHNOLOGY ABSORPTION:

Information is given in 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 has not achieved much success 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	175.55	181.66
Earned	Nil	Nil

**FORM - A**

See Rule 2

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

	Current Year 06 - 07	Previous Year 05 - 06
1. Electricity		
(a) Purchased		
Units - KWH in thousands	8138	7580
Total amount - Rs. in thousands	30757	28377
Average Rate (Rs./KWH)	3.78	3.74
(b) Own generation through Diesel Generator		
Units - KWH in thousands	24	7
Units/Ltr. of Diesel	2.40	2.34
Diesel cost/Unit generated (Rs.)	14.53	13.39
2. Coal (consumed in metal recovery unit)		
Quantity in M.T.	18.01	37.08
Total cost (Rs. in thousands)	73	131
Average Rate (Rs/MT)	4028	3522
3. Furnace Oil		
Qty. in Kilo Litres	782	658
Total cost (Rs. in thousands)	13622	9790
Average Rate (Rs/Ltr)	17.42	14.88
4. Others	Nil	Nil
B. Consumption per unit of production		
Electricity (KWH/MT of extrusions produced)	1243	1119
Coal (Kg/MT of extrusions produced)	5	5
Furnace Oil (Ltr./MT of logs produced)	119	131

FORM - B

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION**A. RESEARCH AND DEVELOPMENT (R&D)**

- | | |
|--|---|
| 1. Specific areas in which R&D carried out by the Company: | None |
| 2. Benefits derived as a result of the above R&D: | None |
| 3. Future plan of action: | None |
| 4. Expenditure on R&D: | Not Significant (Previous Year - Not Significant) |

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION None

For and on behalf of
the Board of Directors

M P Jhunjunwala

Chairman & Managing Director

Kolkata

Dated: 31st May 2007