



CENTURY EXTRUSIONS LIMITED

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Twenty first Annual Report
2008-2009



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
& CHIEF FINANCIAL OFFICER**
KAILASH BAHETI

COMPANY SECRETARY
SUHITA MUKHOPADHYAY

AUDITORS
A L P S & CO.
CHARTERED ACCOUNTANTS
310, TODI CHAMBERS
2, LALBAZAR STREET
KOLKATA-700001

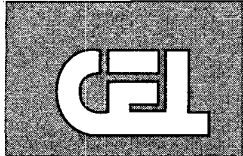
COST AUDITORS
N RADHAKRISHNAN & CO.
COST ACCOUNTANTS
11A, DOVER LANE
KOLKATA-700029

REGISTRAR & SHARE TRANSFER AGENTS
MCS LIMITED
77/2A, HAZRA ROAD
KOLKATA-700029

BANKERS
STATE BANK OF INDIA
AXIS BANK LIMITED
ICICI BANK LIMITED

REGISTERED OFFICE
113, PARK STREET, 'N' Block, 2ND FLOOR,
KOLKATA-700016

WORKS
WBIDC INDUSTRIAL GROWTH CENTRE
PLOT NO. 7A, SECTOR-B
P.O. RAKHAJUNGLE, PIN - 721 301
NIMPURA, KHARAGPUR
DIST. WEST MIDNAPORE (WB)



INDEX

	Page No.
1. Notice	3 - 10
2. Directors' Report and Management Discussion and Analysis	11 - 19
3. Report on Corporate Governance	20 - 26
4. Corporate Governance Certificate	27
5. CEO & CFO Certification	28
6. Auditors' Report	29 - 31
7. Balance Sheet	32
8. Profit & Loss Account	33
9. Cash Flow Statement	34
10. Schedules	35 - 38
11. Accounting Policies and Notes on Accounts	39 - 48



NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Century Extrusions Limited will be held on 31st July, 2009 at 11.00 A.M. at Bharatiya Bhasha Parishad (Sitaram Seksaria Auditorium), 36A, Shakespeare Sarani, Kolkata-700017 to transact the following business:

ORDINARY BUSINESS

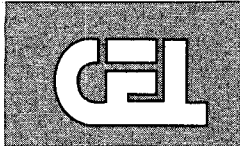
1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2009, the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2009.
3. To appoint a Director in place of Mr. M.G.Todi who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.N.Das who retires by rotation and being eligible offers himself for re-appointment.
5. 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 authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:
 "RESOLVED that in supersession of the Resolution passed at the Extraordinary General Meeting of the company held on 21.01.2008 and pursuant to sub-section (1) (d) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors for borrowing from time to time all such sum of money as they deem requisite notwithstanding that moneys to be borrowed, together with moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not exceed Rs. 200 crores (Rupees Two hundred crores only)."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:
 "RESOLVED that in supersession of the resolution passed in the Annual General Meeting held on 20.09.1991 and pursuant to the provisions of Section 293(1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and/or charge all immovable and/or movable properties of the Company wheresoever situate, present and future, in favor of the company's bankers, viz., State Bank of India Ltd., Axis Bank Ltd., ICICI Bank Ltd., as also in favour of the Govt. of West Bengal and any other Bank, Financial Institution etc. which may provide loan facilities to the Company in future, to secure fund base and non-fund base facilities and any other kind of loan facilities already granted or which may be granted by them from time to time to the company, on such terms and conditions and in such form and in such manner as the Board of Directors of the Company may decide in the interest of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize with the company's bankers the documents for creating the aforesaid mortgage and/or the charge and to do all such acts and things that may be necessary for giving effect to the above resolution."

8. 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 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals from various authorities as may be required and subject to such conditions, if any, that may



be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords its consent and approval to the re-appointment of Mr. Madhab Prasad Jhunjhunwala who would attain the age of seventy years on 10.10.2009, as Chairman cum Managing Director of the Company for a period of three years with effect from 21st August 2009 on the terms and conditions set out below:

1. Remuneration

a) Salary

Rs. 350,000 per month

PART-A

b) Perquisites

(i) Housing

Rent free furnished Accomodation or House rent allowance @ 40% of salary

(ii) Medical Reimbursement

Reimbursement of medical expenses to the extent of Rs.15,000 p.a.

(iii) Leave Travel Concession

Reimbursement of all travel expenses incurred for self and family in accordance with the Rules of the Company upto a maximum of Rs.100,000 p.a.

(iv) Club Membership

Annual subscription fees subject to a maximum of two clubs.

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

PART-B

(vi) Gratuity: Gratuity at the rate of half-month's salary for each completed year of service

(vii) Contribution to Provident Fund

The Company's contribution to Provident Fund not exceeding 12% of salary

(viii) Leave: Entitled for leave with full pay or encashment thereof as per the Rules of the Company

Explanation:

Perquisites shall be evaluated as per Income tax Rules, whenever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

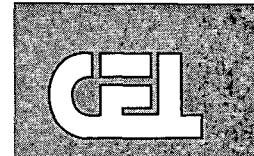
c) Amenities

(i) Conveyance Facilities

The Company shall provide suitable vehicle. All the repairs, maintenance and running expenses including driver's salary shall be reimbursed by the Company.

(ii) Telephone, telefax and other communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence. The Company shall reimburse all the expenses incurred.



Sitting Fees

Mr. Jhunjhunwala will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof. He 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.

II. Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service agreement of the Managing Director, the Company may continue to pay him remuneration by way of salary, perquisites and other allowances as above, as minimum remuneration.

“RESOLVED FURTHER that Mr. Jhunjhunwala shall be entitled to be paid /reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purposes of or on behalf of the Company.”

“RESOLVED FURTHER that the Company do execute a suitable agreement with Mr. Jhunjhunwala, incorporating the terms and conditions of his reappointment for the aforesaid period.”

9. Place of keeping and inspection of the Registers and Annual Returns of the Company

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

“RESOLVED THAT in supersession of the Special Resolution passed at the Annual General Meeting held in September 17, 1990 and pursuant to section 163 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) (“Act”), the Company hereby approves that the Register of Members and Index of members, the Registers and indexes of Debentureholders, if any, and copies of all annual returns prepared under section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under section 161 of the Act or any one or more of them, be kept at the office of the Company’s proposed new Registrars and Share Transfer Agents, viz. CB Management Services (P) Ltd., Regd. Office at P-22, Bondel Road, Kolkata-700019 instead of the office of the earlier Registrar, MCS Limited with effect from 1st October, 2009.”

By order of the Board

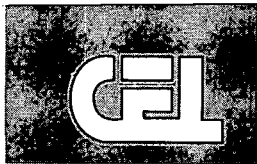
Suhita Mukhopadhyay
Company Secretary

Kolkata

Dated: 11.05.2009

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 shall remain closed from 25th July 2009 to 31st July, 2009 (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 de-materialized form, are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.



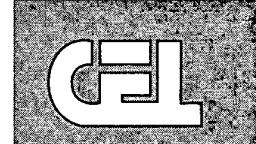
5. Members who hold shares in physical form are requested to notify any change in their address to the Registrar and Share Transfer Agents of the Company and always quote their Folio Number in all correspondence with the Company.
6. Re-appointment of Directors:
Brief particulars of the Directors of the Company proposed to be appointed or re-appointed at the ensuing Annual General Meeting are given in the annexure.
7. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. The Dividend in respect of equity shares will be payable to the shareholders, whose names shall appear on the Register of Members as on 25th July, 2009 (Record Date) and shall be paid on and after 10th August, 2009.
9. Members may please note that the Dividend Warrants would be payable at par at all the Branches of the Bank printed on the reverse of the Dividend warrants for an initial period of 6 months only and thereafter the Dividend Warrant would need revalidation. The members are therefore advised to encash Dividend Warrants within the initial validity period.
10. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company, under the signature of the Sole/first Joint holder, the following information to be incorporated on the Dividend Warrants:
 - (i) Name of the Sole/ First Joint Holder and the Folio Number
 - (ii) Particulars of Bank Account, viz.
 - (a) Name of the Bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with Pin Code Number
 - (d) Account type, whether Savings (SB) or Current Account (CA)
 - (e) Bank Account number allotted by the Bank
11. Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their Bank Account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the company will be printed on their dividend warrants as per the applicable regulations. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
12. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

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

Item No.6

At the Extraordinary General Meeting of the Company held on 21.01.2008, the Company had accorded its consent under section 293(i)(d) of the Companies Act, 1956, to the Directors borrowing moneys upto a limit of Rs.100 crores (Excluding temporary loans obtained from the Company's bankers in the ordinary course of business). Taking into account the requirements of additional finance for the expansion programme under implementation and which may be further undertaken by the company, a fresh resolution is proposed providing that, the Directors may, for and on behalf of and for the purposes of the Company, borrow upto a maximum amount of Rs.200 crores, thereby raising the total borrowing limit from the present level of Rs. 100 crores to Rs.200 crores.

None of the directors is concerned or interested in the resolution.



Item No.7

The borrowings of the Company are, in general, required to be secured by suitable mortgage or charge on all or any of the moveable and/or immoveable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s).

The Company had earlier obtained term loan by mortgaging the immoveable and moveable properties of the Company in favour of Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and The Industrial Credit & Investment Corporation of India (ICICI). These loans have since been paid and presently no charge exists in their favour.

The Company has presently taken Term Loan/Working capital facilities from its present Bankers, namely, State Bank of India Ltd., Axis Bank Limited, ICICI Bank Ltd. and from Govt. of West Bengal.

As security for the above loans, the Company has created charge in favour of the above Banks and the Govt. of West Bengal as per terms of their respective sanctions. The above Banks and the Govt. of West Bengal have from time to time desired that a resolution be passed by members of the Company with their specific names included in the resolution.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of directors shall not without the consent of the Company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the company, or where the company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.

Since the mortgaging by the company, of its moveable and immoveable properties in terms of the earlier resolution dated 20.09.1991 passed by the members or for future borrowings as aforesaid in favour of the Banks/ Financial Institutions, may be considered to be disposal of the company's undertaking within the meaning of section 293(1)(a) of the Companies Act, 1956, it is necessary to obtain the consent of the members.

Your Directors commend the resolution for your approval. None of the Directors of the Company is in any way, concerned or interested in the said resolution.

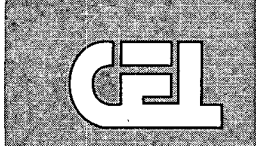
Item No.8

The present term of Mr. Madhab Prasad Jhunjunwala as Chairman cum Managing Director (CMD) expires on 20th August, 2009. The Board of Directors have now re-appointed Mr. Jhunjunwala as the Chairman and Managing Director for a further period of 3 years effective 21.08.2009 to 20.08.2012, subject to the approval of the members at the General Meeting.

The Board has (based on recommendation of the Compensation Committee) also approved the remuneration and perquisites payable to Mr. Jhunjunwala as the CMD. The remuneration and perquisites payable to Mr. Jhunjunwala has been enumerated in the resolution at item no.8 of this notice. The said remuneration and provisions are in consonance with the provisions of Part II of Schedule XIII of Companies Act, 1956.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and conditions of the Agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

Since Mr. Jhunjunwala would attain the age of 70 years as on 10.10.2009 the approval of the shareholders is sought by way of a special resolution as required under Schedule XIII of the Companies Act, 1956.



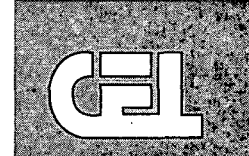
The details required in a Statement as per Clause 1(C) of Section II of Part II of Schedule XIII are as hereunder :

GENERAL INFORMATION:

1. Nature of Industry	The Company is engaged in manufacture of Aluminium Extruded products and Power Transmission and Distribution Line Hardware at its factory located at Kharagpur in West Bengal.
2. Date of commencement of commercial production	The Company had commenced commercial operation in 1991 with two extrusion press lines of 900 MT and 1620MT press capacities. The Company had installed another extrusion press line with 1250 MT Press in 1997. The operation of 900 MT press was discontinued from 1999-2000. The Company is presently in the process of putting up a new, state of the Art, 2700 MT Aluminium Extrusions Press Line which would increase the extrusions manufacturing capacity by 7500MT per annum from present level of 7500MT to 15000MT per annum. The expansion project is at an advanced stage of implementation and the commercial production is expected in July 2009. The Company had commenced commercial production of Power Transmission and Distribution Line Hardware (T&D Hardware) in July 2008.
3. In case of new Companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus	Not applicable, being an existing Company
4. Financial Performance	The Company achieved a sales revenue of Rs. 11056.76 Lacs against Rs.11703.06 Lacs in the previous year mainly on account of a small decrease in sales quantity due to order shortage in November and December 2008 and further due to lower metal prices during the year as compared to the last year. The Company has reported encouraging financial and operating performance during the year under review despite the global financial meltdown.
5. Export Performance and net foreign exchange collaboration	The Company has not achieved much success in its efforts to enter the export market. The Company has no foreign collaborations at present.

INFORMATION ABOUT THE APPOINTEE

1. Background details	Mr. Jhunjhunwala aged about 70 years is an arts graduate and has been working as Managing Director of the Company since March 1989.
2. Past Remuneration	Mr. Jhunjhunwala was paid a total remuneration (salary + perquisites) of Rs.22,64,378 in the year 2008-09 with a Basic Salary of Rs.100,000/- per month plus perquisites.
3. Recognition or awards	Mr. Jhunjhunwala has not received any recognition or awards.
4. Job Profile & his suitability	As Chairman & Managing Director of the Company, Mr. Jhunjhunwala will be overall in-charge of the entire state of affairs of the Company. Mr. Jhunjhunwala has been Managing Director of the Company for over 20 years. With his vast experience in the field of Aluminium industry and specially in running of the Company, he is well-suited to be re-appointed as a Managing Director of the Company for a period of additional 3 years.



5. Remuneration Proposed	The remuneration proposed to be paid to Mr. Jhunjhunwala is Rs.350,000/- per month plus perquisites as set out in detail in the resolution.																		
6. Company remuneration profile with respect to others Industries	The proposed remuneration is in line with the remuneration presently paid for industries of the size of our Company. Most of the units in the aluminium extrusions industry are closely held and therefore, the information regarding remuneration paid in such companies is not publicly available.																		
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	<p>Mr. Vikram Jhunjhunwala, son of Mr. M P Jhunjhunwala is non-executive Director of the Company. Transactions with parties related to Mr. M P Jhunjhunwala during the year 2008-09 were as follows:</p> <table> <tr> <th>Nature of transaction</th><th>Amount (Rs.'000)</th></tr> <tr> <td>Purchase of Goods</td><td>30,937</td></tr> <tr> <td>Sale of Goods</td><td>25,650</td></tr> <tr> <td>Rent paid</td><td>754</td></tr> <tr> <td>Rent received</td><td>36</td></tr> <tr> <td>Interest paid</td><td>20</td></tr> <tr> <td>Sale of Fixed Assets</td><td>70</td></tr> <tr> <td>Loan taken</td><td>6,700</td></tr> <tr> <td>Loan repaid</td><td>6,700</td></tr> </table> <p>None of the managerial personnel in the Company is related to Mr. M P Jhunjhunwala</p>	Nature of transaction	Amount (Rs.'000)	Purchase of Goods	30,937	Sale of Goods	25,650	Rent paid	754	Rent received	36	Interest paid	20	Sale of Fixed Assets	70	Loan taken	6,700	Loan repaid	6,700
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Loan repaid	6,700																		

OTHER INFORMATION :

Reason of loss or inadequate profits. Steps taken or proposed to be taken for improvement. Expected increase in productivity and profits in measurable terms.

Due to losses incurred by the Company in past and consequent financial constraints, the Company could not make any significant capital investment for almost eleven years. In the meantime, the overheads have significantly increased resulting in lower and inadequate profits.

The Company is presently in the process of expanding its extrusions manufacturing capacity from present level of 7500MT to 15000MT per annum. The expansion project is at an advanced stage of implementation and the commercial production is expected in July 2009. With commencement of new press line, apart from getting better economies of scale, the Company would be able to produce profiles of larger dimensions and more stringent tolerances. The new press line would provide opportunities to provide larger product range to its existing customers and also to cater to the consumer segments where the company had been unable to supply due to its capacity limitations. The doubling of capacity, and in due course, consequently the enhanced production should help in proportionate improvement in profitability of the Company.

DISCLOSURES

Remuneration package offered to Shri M P Jhunjhunwala, is as per the proposed resolution.

Other disclosure in terms of Clause (iv) IV (2) of paragraph 1-C of Section II of Part-II of Schedule XIII to the Companies Act, 1956 have been given in the Corporate Governance Report attached to the Board of Director's Report.

The Board recommends the resolution as set out in Item no. 8 above for your approval as a Special Resolution.

None of the directors is concerned or interested in the resolution except for Mr. Vikram Jhunjhunwala, son of M P Jhunjhunwala.