

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G Todi
R N Das
V K Mushran
R K Sharma
Vikram 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

C B Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata-700019

BANKERS

State Bank of India
Axis Bank Limited

REGISTERED OFFICE

113, Park Street, 'N' Block
2ND Floor, Kolkata-700016

WORKS

WBIIDC Industrial Growth Centre
Plot No. 7A, Sector-B
P.O. Rakhajungle, Pin-721301
Nimpura, Kharagpur
Dist. West Midnapore (WB)

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NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Century Extrusions Limited will be held on Friday, 30th July 2010 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 2010, 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, 2010.
3. To appoint a Director in place of Mr. Vikram Jhunjunwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. V.K. Mushran 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 Mr. R. K. Sharma who was appointed as an Additional Director of the Company by the Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. 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 revision in remuneration payable to the Chairman and Managing Director, Shri MP Jhunjunwala for the period from 01.04.2010 upto 20.08.2012 being remaining period of his appointment, from the present level of an aggregate remuneration of Rs.36 lacs per annum to the following:

I. Remuneration

a) Salary

Rs. 3,50,000 per month

PART-A

b) Perquisites

(i) Housing

Rent free furnished accommodation 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 leave travel expenses incurred for self and family in accordance with the Rules of the Company upto a maximum of Rs.1,00,000 per annum.

(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: 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, telex 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

Shri MP Jhunjunwala 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 per provisions of Part II of Schedule XIII of the Companies Act, 1956 as may for the time being be in force, as minimum remuneration.

"RESOLVED FURTHER that Shri Jhunjunwala 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 supplementary agreement with Shri Jhunjunwala, supplemental to the agreement dated 05.08.2009, incorporating the revision in remuneration."

Kolkata

Dated: 20.05.2010

By order of the Board

Suhita Mukhopadhyay

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 shall remain closed from 24th July, 2010 to 30th July, 2010 (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 24th July, 2010 (Record Date) and shall be paid on and after 9th August, 2010.
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 National Electronic Clearing Services (NECS) 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 NECS 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

Mr. R. K. Sharma was appointed as an Additional Director of the Company by the Board of Directors, with effect from 27th October, 2009, pursuant to the provisions of Article No. 103 of the Articles of Association of the Company and section 260 of the Companies Act, 1956. According to the provisions of the said Article and section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. As required under section 257 of the said Act, notice has been received from a member along with a deposit of Rs.500 signifying his intention to propose Mr. R.K.Sharma as a candidate for the office of a Director.

Mr. R. K. Sharma, B.E.(Metallurgy), Hons. Graduate in Non Destructive Testing, Post graduate Diploma in Management & Marketing Management, has around 39 years experience of working in medium & large scale Engineering industries. He was in managerial capacity for 35 years in the field of Production, Planning, Quality assurance, Material procurement, Research & Development, Marketing of Steel,

Aluminium & Copper and its alloys, Rolled, Extruded, Deep Drawn, Forged, Fabricated & Machined Products. He has been vested with various foreign assignments during his job tenure with various Companies. His last assignment was as General Manager, Ordnance Factory Ambarnath, Dist. Thane. Considering his long experience, it is in the interest of the Company to continue to avail of his services as a member of the Board. The Directors therefore recommend for approval resolution contained in Item no.6 of the Notice convening the Annual General Meeting.

None of the Directors except Mr. R. K.Sharma is concerned or interested in item No.6 of the Notice.

Item No.7

Shri M P Jhunjhunwala was re-appointed as Chairman and Managing Director with effect from 21.08.2009 for a period of three years till 20.08.2012. The Board of Directors at their meeting held on 11th May, 2009 had approved a basic remuneration of Rs.3,50,000 per month apart from perquisites and amenities as contained in the Agreement dated 05.08.2009. The re-appointment along with the above remuneration package was approved by the Shareholders in the Annual General meeting of the company held on 31st July, 2009 after which an application was made for Central Government approval pursuant to the provisions of Part II of Schedule XIII of the Companies Act, 1956. The Central Government vide its letter dated 10.04.2010 approved a gross remuneration of Rs.36 lacs per annum only.

The Board after further deliberations on the above matter has (based on the recommendation of the Compensation Committee) proposed that considering the prevailing level of salaries for Senior Management Executives including the salary paid to Company's own Senior level employees and further considering the valuable contribution of Shri M P Jhunjhunwala for the growth of the Company, and his vast experience and expertise in running the business successfully, the remuneration payable to Shri Jhunjhunwala for the balance period from 01.04.2010 to 20.08.2012 be revised. The remuneration and perquisites payable to Shri Jhunjhunwala has been enumerated in the resolution at Item no.7 of this notice. The said remuneration and provisions are in consonance with the provisions of section 198,269,309,310 read with clause 1(c) of section II 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 Shri MP Jhunjhunwala has attained the age of 70 years, the approval of the shareholders for the variation in the terms of his appointment is sought by way of a special resolution 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 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. Subsequently the Company had expanded its capacity in 1997. The Company has put up a new, state of the Art Press Line which has increased the extrusions manufacturing capacity by 7500MT per annum from 7500MT to 15000MT per annum. Commercial production under the expansion project started in August 2009. The Company had also 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. 13,294.91 Lacs against Rs.11,056.76 Lacs in the previous year mainly on account of an increase in production on commissioning of the expansion capacity in August 2009. The Company has reported improved financial and operating performance during the FY 2009-10
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. 29.98 lacs in the year 2009-10 with a Basic Salary of Rs.18.10 lacs per annum 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 is overall in-charge of the entire state of affairs of the Company. Mr. Jhunjhunwala has been Managing Director of the Company for over 21 years, has made valuable contribution to the growth of the Company with his vast experience and expertise in running the business successfully.																		
5. Remuneration Proposed	The remuneration proposed to be paid to Mr. Jhunjhunwala is Rs. 3,50,000/- per month plus perquisites as set out in detail in the draft supplementary agreement.																		
6. Company remuneration profile with respect to other 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 2009-10 were as follows:</p> <table> <tr> <th><u>Nature of transaction</u></th><th><u>(Rs.)</u></th></tr> <tr> <td>Purchase of Goods</td><td>- 7913297</td></tr> <tr> <td>Sale of Goods</td><td>- 15023808</td></tr> <tr> <td>Rent paid</td><td>- 834120</td></tr> <tr> <td>Rent received</td><td>- 80000</td></tr> <tr> <td>Interest paid</td><td>- 18953</td></tr> <tr> <td>Sale of Fixed Assets</td><td>- NIL</td></tr> <tr> <td>Loan taken</td><td>- 3750000</td></tr> <tr> <td>Loan repaid</td><td>- 3750000</td></tr> </table> <p>None of the managerial personnel in the Company is related to Mr. M P Jhunjhunwala</p>	<u>Nature of transaction</u>	<u>(Rs.)</u>	Purchase of Goods	- 7913297	Sale of Goods	- 15023808	Rent paid	- 834120	Rent received	- 80000	Interest paid	- 18953	Sale of Fixed Assets	- NIL	Loan taken	- 3750000	Loan repaid	- 3750000
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Loan taken	- 3750000																		
Loan repaid	- 3750000																		

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 till 2008-09. In the meantime, the overheads had significantly increased resulting in lower and inadequate profits.

The Company has expanded its extrusions manufacturing capacity from 7500MT to 15000MT per annum. The commercial production from expanded capacity commenced from August 2009. With commencement of new press line, apart from getting better economies of scale, the Company is able to produce profiles of larger dimensions and more stringent tolerances. The new press line would provide opportunities to produce and supply larger product range to

our existing customers and also to cater to the consumer segments where we had been unable to supply due to our capacity limitations. The doubling of capacity should help in significant improvement in profitability of the Company.

DISCLOSURES

Remuneration package offered to Shri M P Jhunjunwala, is as per the proposed resolution and draft supplementary agreement.

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 passing of the same.

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

ANNEXURE

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR REAPPOINTMENT

	I	II	III
Name of Director	Mr. Vikram Jhunjunwala	Mr. V. K. Mushran	Mr. R. K. Sharma
Date of Birth	05.05.1965	16.12.1937	14.02.1949
Date of Appointment	21.03.1996	21.07.2006	27.10.2009
Expertise	19 years experience in Aluminum Industry	Marketing	39 years of industrial experience
Qualification	Commerce Graduate	Masters in Science	B.E.Metallurgy, Post Graduate Diploma in Marketing Mgmt.
List of Companies in which Outside directorships held as on 31.03.2010	1. Century Aluminum Mfg. Co. Ltd.- Executive Director 2. Vintage Capital Markets Ltd.-Director 3. Camco Multi Metal Ltd.-Director	None	None
Chairman/Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2010	1) Century Aluminum Mfg. Co. Ltd - Share Transfer Committee- Member Audit Committee- Member Compensation Committee-Member	None	None



DIRECTOR'S REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

We are pleased to present the 22nd Annual Report of the Company for the year 2009-10.

General Economic Recovery

The financial Year 2009-10 saw improvement in all sectors of Indian economy with the global economy also showing signs of gradual recovery from 2008-09 slowdown. In FY 2009-10, India pursued aggressive easing of monetary policy, together with significantly higher public spending to counter weak external demand. As a result, despite several vulnerabilities, economic activity has shown signs of improvement, particularly in industrial production, private business confidence, access to foreign capital and exports. As per the Economic Survey 2010, India's GDP has been estimated to have grown at 7.2% during F.Y. 2009-10.

Investment in infrastructure especially in deficit regions like Asia is growing at a phenomenal rate. Aluminium consumption in Asia will continue to grow in FY 2010-11 as stimulus measures in China, the world's biggest metals consumer, India, a fast growing large economy, and rest of the region lift demand for the metal. In India, mega and ultra-mega power projects are being set up with a vision to make the country self reliant in electricity. Large Construction projects have revived with renewed focus on heavy investment projects like mega housing projects, modernization of railways etc. where aluminum consumption is very high, and therefore, the aluminium industry will

continue on high growth path in coming years.

The growth of primary aluminium industry over the past 5 / 6 years period in Asia has been impressive with China being the major growth driver. The growth of the industry in India has been impressive though at a comparatively slower rate. This is set to change significantly in the next few years as the manufacturers in India have lined up aggressive growth plans. The primary Aluminium metal production in India is set to grow to 3-folds its present size in less than 3 years from now.

During the FY 2009-10, aluminium production in India increased by 12.99 percent (from 1.34 Million MT in 2008-09 to 1.52 Million MT during FY 2009-10) contributed by all the primary producers in India, namely Hindalco, Balco, Vedanta Aluminium and Nalco.

The **Aluminium Extrusions industry** has also recorded **double digit growth during 2009-10**, and expected to continue growing in double digits driven by demand growth, mainly from within India.

Financial Performance

The Company has performed reasonably well during the FY 2009-10. The Sales turnover at Rs.132.95 crores and PAT at Rs.5.35 crores show increase of 20% and 91% respectively. This growth is mainly attributable to higher volumes in Aluminum Extrusions resulting from capacity expansion and the recovery in aluminium metal prices.

(Rs'000, except per share data)

Year ended March 31	2010	2009
Sales	1329491	1105676
Profit before Interest, Depreciation and Impairment of Assets	127914	66684
Interest	26476	14482
Profit before Depreciation and Impairment of Assets	101438	52202
Depreciation and Impairment of Assets	23925	6370
Net Profit	77513	45832
Provision for Taxation	24062	17804
Profit after Tax	53451	28028
Profit brought forward	93367	74699
Surplus available for Appropriation	146818	102727
Appropriations:		
Proposed Dividend	8000	8000
Corporate Tax on Dividend	1329	1360
Balance carried to Balance Sheet	137489	93367

Dividend

Considering the financial performance of the Company for the year and to appropriately reward the members while conserving resources to meet the future financial requirements, we are pleased to recommend a dividend of Re.0.10 per equity Share of Re.1/- each for the year ended 31st March, 2010. This dividend is subject to approval of the members at the forthcoming Annual General meeting.

Production

The Aluminium Extrusions production for the year was 8829MT in comparison to 6338MT in previous financial year showing a growth of 39%. The growth has mainly come from capacity expansion of 7500MT per annum. The expanded capacity commenced commercial production on 24th August 2009. With full production capacity being available for whole of the next financial year, the Company expects to achieve significantly higher production and sales during the FY 2010-11.

The Power Transmission and Distribution Line Hardware (T&D Hardware) achieved production of 48MT during the year as against 28MT during the previous year. This industry has a longer gestation period of roughly 3 years mainly because the prospective customers, mainly the State Power Distribution Companies require prior supply experience before they allow new vendors to participate in their Tenders.

General Business Profile, Strengths and Strategy Initiatives

The Company with an experience spanning a rich 18 years enjoys a number of first mover advantages comprising a comprehensive understanding of the aluminium and aluminium extrusions market, reputed brand and a strong customer base.

The Company possesses in-house facilities for die-manufacturing, melting and casting of billets and the extrusions manufacturing facility with three press lines. The Company's new state-of-the art 2700MT press line is automated to 90% and will cover the production of a large product range. The Company enjoys easy raw material access. It accesses the raw material from three renowned and proximate primary metal manufacturers - Hindalco, Nalco, and Vedanta Aluminium. The Company is one of India's large institutional aluminium metal consumers with corresponding purchase economies.

The Company manufactures and supplies extrusions for varied applications (architectural, road transport vehicles, railways, electrical and electronic applications, engineering applications, automotive sector, consumer durables, Defence applications and irrigation, among others). The power sector accounts for the largest revenue proportion. The Company

also has necessary set up to supply value added extruded products for various engineering applications.

Rich Market Presence

A network of branches and sales offices in close proximity to the customers enable us to ensure efficient, effective and timely service. The Company possesses a portfolio of over 600 reputed customers. Customer delight has been the Company's "Mantra" with a dedicated team of professionals. Utmost importance is given to client satisfaction. The Sales Team is fully qualified and trained to look after the customers' diverse requirements for their complete satisfaction. High levels of ethics and transparency are maintained in dealing with the clients to improve their confidence in the brand and the Company. Nearly 86 % of the revenues in 2009-10 were derived out of sales to long-standing customers. The real strength of the Company lies in its large number of customers in different customer segments spread in different geographical segments in a growing economy like India.

We manufacture extruded products for varied applications, viz.:

- Profiles for Architectural Applications such as Building Systems, Structural Glazing, Curtain Walls, Aluminium Rolling Shutters, Windows, Doors, Partitions, False Ceilings, Tower Bolts, Hand Rails, Door Handles, Hinges, Drapery Rods, Modular Furniture, etc.
 - Profiles for Road Transport Sections
 - Profiles for Rail Coach Windows & Doors
 - Profiles for manufacture of Automobile Components
 - Profiles for Heat Transfer in Electronics & Electrical Gadgets
 - Profiles for Electrical applications such as Tubes and Flats for Bus Bars, Transmission Line Hardware such as P.G. Clamps, H-Connectors, Repair Sleeves, Lugs, Solar Panels etc.
 - Profiles for Engineering Applications such as Motor Housings, Gear Pump Casings, Ferrules, A.C.Louvers, Machinery Parts, Elevators, Pneumatic Actuators, Pneumatic Cylinders, Valve Bodies, etc.
 - Profiles for various Defence Applications
- And many more.

On account of direct pass through of any increase / decrease in primary aluminium prices to those for aluminium extrusions, the industry is de-commoditised and relatively insulated from fluctuating primary aluminium prices. With depreciated assets, efficient inventory turns and relatively quicker receivable cycles, return-on-the-employed capital is reasonably good. The Company reported an ROCE of 19.11% in 2009-10.



Future Outlook and New Business Opportunities

Extrusions

The Company has commenced commercial production from its new 2700 MT Aluminium Extrusion press line on August 24, 2009 and is able to produce profiles of larger dimensions and more stringent tolerances. The new expansion project put up at a capital investment of Rs.40 crores has enhanced the installed capacity for manufacture of Aluminium Extrusions from 7500 MT per annum to 15000 MT per annum. This would provide opportunities to produce and supply larger product range to our existing customers and also cater to the consumer segments where we had been unable to supply due to our capacity limitations.

There are a number of attractive opportunities for developing further value-added products of extrusions. The Company proposes to put up facilities to manufacture value-added products of extrusions such as anodizing and powder Coating facilities, door & window systems manufacturing facility, and facility for producing components/finished parts for auto, Solar panel and engineering industries in future. The Company is geared up to avail emerging opportunities in the following areas:

1. Power Sector – Our country faces continuing power shortage. More investments to plug the gap means more aluminium extrusions.
2. The vibrant Real Estate Sector in our country - More homes and offices mean more aluminium extrusions. Increasing government budgetary support for the housing sector is expected to sustain.
3. Rapidly growing Transportation Sector - More road and more vehicles mean more aluminium extrusions. The Growing Vehicular aluminium content for light weighting of vehicles to save energy will drive aluminium demand further.
4. The Sustained Agriculture Emphasis in our Country – More investments in irrigation mean more aluminium extrusions
5. Solar Energy Industry is a big emerging opportunity, which implies significant consumption opportunities for aluminium extrusions from solar panels over the years to come.
6. Indian Defence Sector: Aluminium extrusions are consumed in a wide range of applications in this sector, comprising tail-end fuse connectors for detonator shells and grenades, frame-work for tents and as a roll-over 'mattress' for tanks to navigate difficult terrains.

The Company's debt-equity ratio of **0.72** indicates adequate potential for funding growth. The Company enjoys an interest cover of **4.41** and average borrowing cost of under

10% with term loans and working capital loans from banks as well as subsidised loan from the West Bengal Government.

Power T & D Hardware

Despite 18 years of power reforms, over 40% of the country's population is still without electricity, 60 % of Indian firms and a large percentage of homes rely on captive or back-up generation. The spot rates for power have significantly increased in the last 12-18 months, led by the sharp increase in the peak and energy deficit levels. Aluminium finds growing use in this space as it is directly used in the overhead transmission and distribution lines.

Our long experience and the robust credibility in the field of manufacturing Aluminium extrusions, where we have significant presence in making supplies to customers in Power Segment, encouraged us to enter into the field of manufacturing Power Transmission and Distribution Hardware.

Power Transmission and Distribution Hardware Fittings are required for use on Overhead Transmission and Distribution Lines for connecting Insulators with Tower/Pole Cross Arms and Insulators with conductors. The Company has manufacturing facilities for casting of Aluminium Alloys, manufacturing of Extruded products in Aluminium & its Alloys, Wire Drawing, Helical Products, Fabrication of Ferrous & Non-Ferrous Components, Argon Welding, Electric Arc Welding, Machining, Bundle Spacer Assembly, Vibration Damper Assembly, Conductor Accessories, Clamp Connectors for Hardware Assembly, and manufacturing of Tools, Dies & Moulds. Aluminium is also used in insulated and underground cables laid in large populated urban areas and in reserved forests (to avoid deforestation), Round Tubes are used for corona control rings, grading rings, mid-span compression joints, dead-end clamps and jointing sleeves, among others, signifying huge opportunities for extrusions in the power sector.

During the financial year 2009-10 the Company could make only a modest sales turnover of T & D Hardware amounting to Rs. 69 lacs approx. The Company is in the process of getting registered with various State Electricity Boards and looks forward to receive substantial order from State Electricity Boards, Transmission & Distribution Line State-based Utilities, Erection Contractors, Transmission & Distribution line hardware manufacturers, etc. in the coming years.

The Company remains focused in its objective to pursue the path of profitability and sustained growth, maximize operational efficiency and strategies to attain the highest standard of quality, safety and productivity. Our attempts in optimizing the value of resources and retaining talent will continue to serve us well in our journey to the next level of growth.