

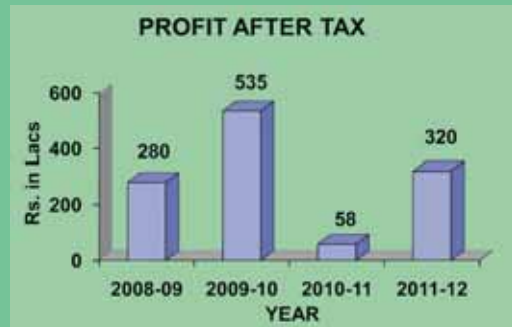
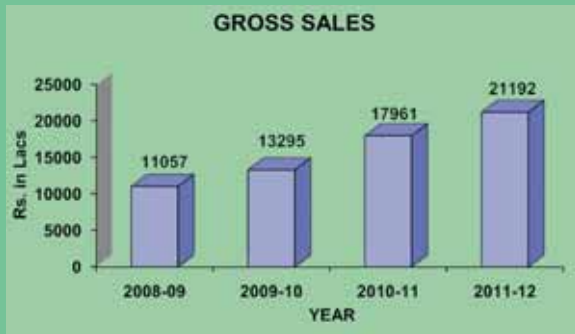
2011-12 ANNUAL REPORT

Aluminium - The True Green Metal



CENTURY EXTRUSIONS LIMITED

Aluminium Extrusions & Value Added Products



MISSION

To provide high quality Aluminium Extruded Products and superior customer service with a focus on value-added products to ensure the customers get ready to use products.

VISION

We shall strive to continuously expand our aluminum extrusion business and be the supplier of first choice to all our customers. We shall simultaneously look out for new and emerging business opportunities related to our field of competence.

VALUES

Commitment – Do whatever it takes to deliver superior customer value

Courtesy – Towards our Customers, Employees, Vendors and the Society at large

Integrity – Honesty in every action

Speed – Act with urgency to deliver what we promise

Team-work – Thinking and working together across hierarchy levels

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G Todi
V K Mushran
R K Sharma
A K Hazra
Vikram Jhunjunwala
M P Jhunjunwala-Chairman & Managing Director

DEPUTY GENERAL MANAGER (FINANCE) AND ACCOUNTS

Rajiv Agarwal

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
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-721301
Nimpura, Kharagpur
Dist. West Midnapore (WB)



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NOTICE is hereby given that the **TWENTY FOURTH Annual General Meeting of the Members of Century Extrusions Limited** will be held on **Monday, 13th August, 2012 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 2012, the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. V. Jhunjhunwala who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. V.K.Mushran who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. R.K. Sharma 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. Arun Kumar Hazra 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 re-appointment of Mr. Madhab Prasad Jhunjhunwala who would attain the age of seventy three years on 10.10.2012, as Chairman cum Managing Director of the Company for a period of three years with effect from 21st August 2012 on the existing terms and conditions set out below:

I. Remuneration

a) Salary

Rs. 1,83,000 per month

PART - A

b) Perquisites

(i) Housing

Rent free furnished accommodation or House rent allowance @ 40% of basic 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.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 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 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 M P 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 suitable agreement with Mr. M P Jhunjunwala, incorporating the terms and conditions of his reappointment for the aforesaid period.”

Kolkata

Dated: 28.05.2012

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 7th August, 2012 to 13th August, 2012 (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. 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.
9. As part of Green Initiative in the Corporate Governance members whose e-mail addresses are registered will be sent the annual report through e-mail. Share holders holding

physical share certificates are requested to register their email address with our Registrars and Share Transfer Agents, M/s C B Management Services Pvt. Ltd.

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

Item No.6

Mr. Arun Kumar Hazra was appointed as an Additional Director of the Company by the Board of Directors, with effect from 28th May, 2012, 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. Arun Kumar Hazra as a candidate for the office of a Director.

Mr. Arun Kumar Hazra, Bachelor of Mechanical Engineering from Bengal Engineering College and Marketing Management from the Indian Institute of Management, Calcutta, has around 37 years experience of working in medium & large scale Engineering industries. He was in managerial capacity for 24 years in the field of Marketing and Export of Rolled Products and Extrusions. He has been vested with various foreign assignments during his job tenure with various Companies. His last assignment was as Chief Executive, Indal Exports Limited, a subsidiary of Indal. 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. Arun Kumar Hazra is concerned or interested in item No.6 of the Notice.

Item No.7

The present term of Mr. Madhab Prasad Jhunjunwala as Chairman cum Managing Director (CMD) expires on 20th August, 2012. The Board of Directors have now re-appointed Mr. Jhunjunwala as the Managing Director for a further period of 3 years effective 21.08.2012 to 20.08.2015, subject to the approval of the members at the Annual General Meeting.

The Board has (based on recommendation of the Remuneration Committee) also approved the remuneration and perquisites payable to Mr. Jhunjunwala as the Chairman & Managing Director. The remuneration and perquisites payable to Mr. Jhunjunwala 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 clause 1(B) 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 Mr. Jhunjunwala would attain the age of 73 years as on 10.10.2012 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(B) 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 of 900 MT and 1620MT press capacities. The Company has also installed a new, State of the Art, 2700 MT Aluminium Extrusions Press Line which has enhanced the extrusions manufacturing capacity by 7500MT per annum from the earlier level of 7500MT to 15000MT per annum. The expansion project completed and the commercial production started in August 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 as an existing Company
4. **Financial Performance**
The Company has reported moderate financial and operating performance during the period under review. The Company achieved a sales turnover of Rs.211.92 crores as against Rs. 179.61 crores in the previous financial year recording an increase of 17.98% in the previous year. However the gain from higher volumes has been offset by significant increase in Electricity tariff and fuel cost, significant increase in Finance Cost due to hardening of interest rates in India and apparent slow down in general economic activity during the year resulting in reduced order flows.
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 73 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.34.29 lacs in the year 2011-2012 with a Basic Salary of Rs.1,83,000/- 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 23 years. With his vast experience in the field of Aluminium industry and especially 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.3,00,000/- per month including perquisites and allowances as set out in detail in the resolution .
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.
6. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any**
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 2011-2012 were as follows:

<u>Nature of transaction</u>	<u>Amount (Rs.'in lacs)</u>
Purchase of Goods	- 272
Sale of Goods	- 378
Rent paid	- 18
Sale of Fixed Assets	- 7
Purchase of Fixed Assets	- 5

None of the managerial personnel in the Company is related to Mr. M P Jhunjunwala

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 general economic slowdown, increase in interest ratio and cost of furnace oil and electricity, the Company was unable to earn adequate profits.

As the domestic economy improves with softening of interest rates, the Company expects to improve higher sales with better margins.

The Company has expanded its extrusions manufacturing capacity from 7500MT to 15000MT per annum. The Company continues to invest in up gradation of Technology for cost reduction & improved performance. The Company is making investment in balancing equipments as well as replacing old handling system. The modernized equipments will improve the efficiency of the extrusion press lines. This will result in better operating margins.

DISCLOSURES

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

Other disclosure in terms of Clause (iv) IV (2) of paragraph 1-B 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 M P Jhunjunwala.

ANNEXURE

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR REAPPOINTMENT

	<u>I</u>	<u>II</u>	<u>III</u>
Name of Director	MR. VIKRAM JHUNJHUNWALA	MR. VK MUSHRAN	MR. RAJ KUMAR 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 31.03.2012	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, 2012	Century Aluminum Mfg. Co. Ltd - Share Transfer Committee- Member Audit Committee- Member Compensation Committee- Member	None	None

Dear Members,

We are pleased to present the 24th Annual Report of the Company for the year 2011-2012.

Growth of the Indian economy

The Global Economy has entered into a very difficult phase characterized by significant downside risks and fragility. The financial mayhem generated by the deepening of the fiscal crisis in Europe has spread to both developing and high income countries and is generating significant headwinds.

Against a backdrop of an uncertain global environment, the Indian economy faced twin macroeconomic challenges of managing growth and containing inflation during the fiscal 2011-12. The factors which influenced the current macroeconomic climate in India and interrupted recovery were intensification of debt crises in Euro zone, political turmoil in Middle East, fluctuating global commodity prices, hardening of international prices of crude oil, stagnation in Japan, etc..

GDP is estimated to grow by 6.9 per cent in 2011-12, after having grown at 8.4 per cent in preceding two years. Slowdown in comparison to preceding two years is primarily due to deceleration in industrial growth. India however remained front runner in economic growth in any cross-country comparison. India's GDP growth in 2012-13 is expected to be 7.6 per Cent.

The Scenario of the Aluminum Extrusion Industry

The Aluminium Extrusion industry is characterized by high entry barriers, due to the capital-intensive nature of the business. The domestic primary aluminum industry is around 4-5 per cent of the global aluminum industry. The Indian aluminum extrusions market has an installed capacity of about 5,20,000 Metric Tonnes (MT) per annum. which is likely to see a double digit growth over the next few years due to robust demand from all its consumer segments, particularly Building & construction, power and electrical and automobile sectors.

Architectural, building and construction sectors are the major users of aluminium extrusions in India. The vibrant real estate sector will increase the demand for extrusions in the coming years. Automotive sector is growing at around

15% per annum and is expected to witness similar growth trend for the next few years. Large investments are proposed in the power sector and significant development is taking place in the electronics sector. In India, mega and ultra-mega power projects are being set up with a vision to make the country self reliant in electricity. Some of the key applications for extrusion include flat and tubular busbars, solar panels and heat sinks, etc.

Solar frames and mounting systems are also emerging as key applications and the demand from this sector is expected to increase rapidly in the next few years. Demand for extrusions is expected to grow at 12-15 % during the next five years. There is increasing emphasis on high quality extrusions in terms of specifications as well as aesthetics.

The Indian extrusion industry offers unlimited possibilities in terms of shapes and sizes for use across various industrial sectors, which has opened up a plethora of new applications.

FINANCIAL PERFORMANCE

The Company achieved a sales turnover of Rs.21192 lacs as against Rs. 17961 lacs in the previous financial year recording an increase of about 18%. The Power Transmission & Distribution Hardware (Power T & D Hardware) division registered a sale of Rs.400 lacs as against Rs. 216 lacs in the previous year. The balance of the turnover was contributed by Company's principal business i.e. by Aluminium Extrusions Division.

The Profit After Tax (PAT) for the year is Rs.320 lacs as against Rs. 58 lacs showing moderate improvement in financial performance. The gain from higher volumes has been offset by:

- (a) Significant increase in Electricity tariff and fuel cost. .
- (b) Significant increase in Finance Cost due to hardening of interest rates in India.
- (c) Apparent slowdown in general economic activity.

The Company had continued to keep cost control as the cornerstone of its operations and to raise its output of value-added products. The Company continues to invest in upgradation of Technology for cost reduction & improved performance. The Company has taken steps to counter the above factors and expects to achieve higher Sales Turnover as well as profitability in the next financial year.

(Rs. in lacs, except per share data)

Year ended March 31	2012	2011
Sales	21192	17961
Profit before Interest, Depreciation and impairment of Assets	1290	963
Interest	606	493
Profit before Depreciation and Impairment of Assets	684	470
Depreciation and Impairment of Assets	413	404
Net Profit	271	66
Provision of Taxation	(-49)	8
Profit after Tax	320	58
Profit brought forward	1433	1375
Balance carried to Balance Sheet	1753	1433

DIVIDEND

The Company's inadequate profits does not justify a dividend payout. Hence to conserve our reserves we are unable to recommend any dividend for the year under review.

PRODUCTION

The Aluminium Extrusions production for the year 11086 MT as against 10033 MT in previous financial year showing a growth of 10.50%.

The Power T & D Hardware achieved production of 233 MT during the year as against 133MT during the previous year. The industry has a longer gestation period of roughly 4 to 6 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. The Company has already completed four financial years of operation in the Power T & D Hardware business and expects this division to contribute higher turnover and profitability from 2013-14 and onwards.

COMPANY OVERVIEW AND GROWTH STRATEGY

While we succeed only as an enterprise by serving our customers to their satisfaction, our relentless focus will remain on value creation.

Success Drivers

Our Legacy: With an experience spanning a rich 21 years, our Company 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.

Integration: We possess in-house facilities for –

- Melting and casting of billets, Homogenizing
- Extrusions manufacturing with three press lines
- Complete Die manufacturing,
- Manufacturing various value added products of extrusions for engineering applications, and
- Manufacturing Power Transmission & Distribution Hardware

With 3 extrusion press lines, the Company has a capacity to produce 15000MT of Aluminium Extrusions, which as per the information available with the Company, is the 3rd largest facility in India as on date.

Die Library: The Company possesses an inventory of more than 5000 dies to manufacture over 3750 profiles. The Company maintains back-up dies for meeting the requirements of fast moving profiles.

Availability of raw material : The Company accesses raw material (aluminium ingots and billets) from three renowned and proximate primary metal manufacturers- Vedanta Aluminium, Nalco and Hindalco, The Company is one of India's largest institutional aluminum ingot/billets consumers with corresponding purchase economies.

Quality assurance: The Company's manufacturing facility is accredited with the prestigious **ISO-9001:2008** certification endorsing its strong quality systems. Your Company continues to focus on maintaining the highest quality and safety standards in its factory. The Company is presently in process of upgrading its Quality Management System to become compliant with Environmental Management System **ISO 14001:2004** & Occupational Health & Safety Assessment Series **OHSAS 18001:2007**.

The Company supplies extrusions as per tolerances laid down by the Bureau of Indian Standards in accordance with BIS: 2673-1979, BIS:3965-1981 and BIS : 6477-1983, and with even tighter tolerances as per customer needs.

The sharp focus on Quality in all its initiatives has enabled our Company to launch some specific value-added services

Product applications: 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.

The Company also has necessary set up to supply extruded and cold drawn round bars and hexagonal bars in straight lengths for various engineering applications. It also has a