

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

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

DEPUTY GENERAL MANAGER (FINANCE) AND ACCOUNTS

Rajiv Agarwal

COMPANY SECRETARY

Sumana Raychaudhuri

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

WBIIIDC 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 FIFTH Annual General Meeting of the Members of Century Extrusions Limited will be held on Wednesday, 7th August, 2013 at 10.30 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 2013, 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.M.G. Todi who

retires by rotation and being eligible offers himself for re-appointment.

3. To appoint a Director in place of Mr. A.K. Hajra 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 authorize the Board of Directors to fix their remuneration.

By order of the Board

Kolkata

Dated: 28.05.2013

Sumana Raychaudhuri

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 1st August, 2013 to 7th August, 2013 (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.

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR REAPPOINTMENT

	I	II
Name of Director	MR. M. G. Todi	MR. A. K. HAZRA
Date of Birth	21.01.1941	04.07.1936
Date of Appointment	31.07.2006	28.05.2012
Expertise	46 years experience in Industry	38 years experience in Engineering Industries
Qualification	M.Com., LL.B., FCA	B.E., PGDMM
List of Companies in which Outside directorships held as on 31.03.2013	<ol style="list-style-type: none"> 1. Coastal Industrial Finance Ltd. – Chairman 2. Todi Sons Ltd. – Director 3. Todi Services Ltd. - Director 4. Khaitan Electricals Ltd. - Director 5. Alfa Aluminium Pvt. Ltd. - Chairman 6. Volex Estates Pvt. Ltd. - Chairman 7. Snuk Housing & Holdings Pvt. Ltd.-Chairman 8. Yazur Nirman Pvt. Ltd.-Chairman 9. CRL Logistic Pvt. Ltd.-Chairman 10. Salasar Finance Pvt. Ltd. - Chairman 11. Coastal Properties Pvt. Ltd. - Director 12. Todi Projects Pvt. Ltd. - Director 	None
Chairman/Member of the Committees of the Board of the other Companies in which he is a Director as on 31st March, 2013	None	None



Dear Members,

We are pleased to present the 25th Annual Report of the Company for the year 2012 - 2013.

Growth of the Indian economy

The world economy is yet to recover from the crisis of 2008-2009 as the global growth rate dropped to 3% in 2012. This slowdown is expected to continue. Unlike in 2010 and 2011, emerging markets did not pick up the slack in 2012. The sluggish pace of the world economy can well be attributed to the uncertainties in different parts of the globe, i.e., post-election 'fiscal debate' question in the United States to the Chinese leadership transition and reforms in the Euro-Asia. Majority of the European nations are trapped under vicious circles of debt, low growth and massive unemployment.

Indian economy is growing steadily despite the economic crisis that has engulfed the major economies of the world. Grand Thornton Global Dynamism Index has denoted India as the fifth best country in the world for dynamic growing businesses. A drop in private investment over rising policy uncertainty exacerbated supply blockage in India, which consequently led to headline inflation that was high compared to most Asian economies in 2012.

According to CRISIL, India's economic growth is expected to accelerate to 6.7 % in 2013-14 from the projected rate of 5 % in the current financial year on a revival of consumption. Factors like pick-up in agriculture, predictions about normal monsoon, increased welfare expenditure, moderation in inflation, lower interest rates and higher government spending all of which in a combined way contributing to the private consumption demand. Moreover these factors have benefited sectors such as consumer durables, hotels & restaurants and financial services.

The growth in GDP during 2012-13 is estimated at 5% as compared to a growth rate of 6.2 % in 2011-12 and is the lowest in a decade on account of poor performance of manufacturing, agriculture and services sector.

The Scenario of the Aluminum Extrusion Industry

Our country is signified as the fifth largest producer of aluminium in the world. Aluminium is the biggest non-ferrous industry in the world economy and one of the leading industries in the Indian economy. Aluminium has uses in sectors like automotive, transportation, packaging, building & construction, marine, consumer durables, solar, industrial equipments, defence security equipments and electricity and among all these in India, the power sector is the largest consumer of the metal closely followed by building & construction and automotive sectors.

The building & construction and automotive sectors have always been major patrons of aluminium extruded products.

Aluminum being lightweight, durable and anti-corrosive is used in large quantities for cladding the roofs and facades of the buildings and for manufacturing the doors and windows, stairs, roof frames, scaffolding, form work and green houses. Furthermore, utilization of aluminum is increasing in the highway traffic and direction signalization systems as well as expressway parapet walls and bridges. In the marine craft, especially in the boats, the center of gravity of the aluminum superstructures being less, the balance of the hull is improved, allowing for a larger functional volume. The sail masts of the smaller boats and yachts are made of aluminium. 70% of the weight of an airplane is aluminum. Aluminum has provided the largest contribution to the development of the airplanes, more so to the aviation sector, due to its lightness along with its durability.

Indian aluminium extrusion industry expanded at a swift pace during the last two decades. Infrastructural changes in the country like construction of shopping malls and high-rise buildings, whether residential or commercial have led to a surge in demand of aluminium extruded products. Teaming up with these sectors, are defence and railway requirements. Its utility and versatility coupled with affordable production cost marks it as one of the most sought after commodity in this country. However, extrusions industry like other industries could not combat the general recession and hence the demand for extrusions slightly subdued.

FINANCIAL PERFORMANCE

The Company achieved a sales turnover of Rs. 19944 lakhs as against Rs. 21192 lakhs in the previous financial year recording a fall of about 6 %. The Power Transmission & Distribution Hardware (Power T & D Hardware) division registered a sale of Rs.239 lakhs as against Rs.459 lakhs in the previous financial year. The balance of the turnover was contributed by Company's principal business i.e. by Aluminium Extrusions Division.

The Losses for the year is Rs. 2 lakhs as against Profit after Tax of Rs. 320 lakhs in the previous financial year reflecting decline in financial performance. The decline in performance during the year is mainly due to the following factors:

- (1) Due to continued slowdown in general economic activity, the Company has not been able to increase prices in spite of increase in manufacturing cost for following reasons:
 - a) Payment on account of Entry Tax pursuant to the West Bengal Tax on Entry of Goods Into Local Areas Act, 2012;
 - b) Significant increase in Electricity tariff and fuel cost;
- (2) Production loss on account of replacement of extrusions handling system.

Cost control being the basis of its operations and to raise its output of value-added products, the Company is always committed to mitigate costs in all spheres of its operations in order to maintain higher returns. The Company continually

invests in upgradation of Technology for cost reduction & improved performance. The Company has taken steps to counter the above factors as have been mentioned elsewhere 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	2013	2012
Revenue from Operations	19944	21192
Profit before Interest & Depreciation	1194	1433
Interest & Finance Charges	713	749
Profit before Depreciation	421	684
Depreciation	442	413
Net Profit / (Loss)	(21)	271
Tax Expenses	(19)	(49)
Profit / (Loss) after Tax	(2)	320
Profit brought forward	1753	1433
Balance carried to Balance Sheet	1751	1753

DIVIDEND

Due to losses in the year under review, the Board regrets their inability to recommend any dividend for the year 2012-13.

COMPANY OVERVIEW AND GROWTH STRATEGY

Improved service, prompt response and wider reach to dealers, distributors and the satisfaction of customers have been our continued endeavour for business development.

Success Drivers

Our Legacy: With an experience spanning a rich 22 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, casting and homogenization of billets,
- Extrusions manufacturing with three press lines
- 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 3500 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 ingots/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. Our Company continues to emphasize on maintaining the utmost quality and safety standards in its factory. Our Company is also **ISO 14001:2004** and **OHSAS 18001:2007** certified.

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 stringent tolerances as per customer needs based on mutual agreement.

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 Aluminium Form work

- 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.Louvres, 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 & cold drawn round bars and hexagonal bars in straight lengths for various engineering applications. It also has a set up to supply extruded & cold drawn rods/wires in coil form to be used as armour rods, lamp pin stock, metallizing wire, rivet stock, welding filler wire (MIG & TIG), etc.

Customer profile: The Company possesses a portfolio of over 500 reputed customers. The Company has retained most of the customers over a period of 22 years.

Our Company is in a position to supply Extruded Profiles in Aluminum Alloys ranging from **1xxx** to **7xxx** series. This is our major competency. Our Business strategy is to book maximum part of our installed capacity for supply directly to end-users.

Company's Presence across several verticals

The company's product portfolio comprises of extrusions in soft, medium and high strength aluminium alloys. It manufactures aluminium profiles for architectural applications such as windows, doors, door handles, modular furniture etc. Its products are used in rail coach windows and doors, electrical gadgets, transmission line hardware, gear pumps, elevators, pneumatic cylinders and defence applications. Along with diversified end- user industries the company has strong client base. Its top 10 clients do not account for more than 25% and no single client accounts for more than 10% of its total revenues. The company's diverse customer base provides revenue stability and risk mitigation to a slowdown in any particular sector.

The Company enters into long-term contracts with its suppliers for its annual raw material requirements, and receives cumulative annual discounts from Vedanta Aluminium Ltd and National Aluminium Company Ltd on lifting pre-specified quantities.

Rich Market Presence

Robust presence across the value chain and synergies in operations has given our Company a leading position in the domestic value-added products market.

A network of regional marketing offices 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 550 reputed customers. Nearly 97 % of the revenues in 2012-13 were derived out of sales to long-standing customers. The real strength of the Company lies in its large number of customers in different segments spread in different geographical locations in a developing economy like India.

We at Century Extrusions Limited believe in growth-oriented business approach through sustainable use of human and natural resources which provide us the strength to reach new heights in the forthcoming years. Our forte is constant progress by identifying the areas of expansion.

FUTURE OUTLOOK

Extrusions

The Company has an installed capacity to produce 15000MT of extrusions per annum. As against this, our production for the year 2012-13 was **10086** MT. We thus have a significant spare capacity to increase production and sales volume.

The last decade witnessed the sudden upsurge in the demand for aluminium extrusions. The per capita consumption of aluminium in India remains abysmally low at 1.2 kg compared to 15-18 kg in the European countries and nearly 10 kg in China. Of late, the slower growth rate in China and the debt crisis in the euro zone have cast their shadow on the market. India is also stalled with many issues severely affecting her economic growth. Amidst all these, the physical demand for aluminium extruded products remains strong. The low per capita consumption in the country coupled with high quality Bauxite reserves, promises good future for the aluminium industry.

The segment-wise expected demand growth is given hereunder:

1. **Power Sector** – Power is the largest consumer of aluminium (about 48% of total). India has been facing very anomalous situation wherein investment in generation of power and execution of power plants has resulted in substantial growth in power generation. But attention towards evacuation of power plants through transmission and distribution system is not too adequate. Aluminium finds itself in the prime position in this sector and therefore deserves special attention

in terms of incentives and benefits. Deemed export in this sector will be a boom to cable and conductor industry.

2. **The vibrant Real Estate Sector in our country –** Construction sector is the major consumer of extrusions. Recent emphasis on 'Green' or 'eco-friendly' building applications will keep aluminium in the forefront of this emerging market. Commercial and residential building exteriors and solar panels make this metal highly popular. But, the high initial cost of aluminium has stood in the way of widely replacing the conventionally used materials like wood, steel, plastic and brick in building & construction applications.

The demand for aluminium composite panels cladding is increasing in urban areas primarily because it is less time consuming and highly appealing. It is used for front cladding as well as interior walls, partitions, false ceilings, etc. With the real estate sector and the national economy going through turbulent times, the momentum of growth in this sector has slowed down a bit.

The strength, low density, anti-corrosive and design flexibility of aluminum extrusion alloys make aluminium ideal for building & construction ranging from a louvre blade in an air-conditioning system to a structural support in a roofing system. At one third the weight of steel and extensive design options, Aluminium is the ideal solution for the building & construction industry

3. **Rapidly growing Automobile Industry –** Use of aluminium extruded products in the automobile sector is still at a nascent stage primarily because the rise in energy costs and the need for emission reduction world over have made aluminium more attractive to automobile industry than steel. Aluminium is finding extensive use in light-weight vehicles without compromising on quality and performance as mankind is becoming more and more concerned about fuel-efficiency with stricter environmental pollution norms to reduce greenhouse gas emissions.
4. **Engineering Applications-** Aluminium Extrusions is very much appreciated in various mechanical applications, particularly for components of moving machines, such as engines and robotic devices.
5. **The Sustained Agriculture Emphasis in our Country –** Aluminium is also of relevance in the agriculture sector as aluminium extruded pipes are used in farming. However, owing to increase in the rates of aluminium

pipes, the farmers are now opting for cheaper PVC pipes even though their shelf life is less. Exemption of aluminium irrigation pipes from excise duty will benefit this sector.

6. **Solar Energy Industry** is a promising sector, solar energy being a clean, renewable source of energy abundantly available during daytime. There are undoubtedly excellent opportunities for the use of aluminium extrusions in solar power applications. Solar power sector utilizes large quantities of aluminium extrusions for framing and mounting solar panels on commercial and residential building roof-tops and for ground and pole-mount applications. Improved extruded framing and mounting systems indicates more inroads into the sector.
7. **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 roll-over carpets for tanks to navigate difficult terrains. Our Company supplies rods/bars and tubes in medium and high-strength alloys to the defence sector. Our Company also supplied about 100 MT of rods in high-strength alloys to be used as forging stock and for making precision machined components to M/s. Brahmos Aerospace Limited for their missile indigenisation mission.

Given the significant supply deficits, high growth potential and conducive government policies, a large opportunity exists for the Aluminum extrusions suppliers including our Company.

The above projection of robust demand growth is however tempered by the fact that the extrusions industry is fragmented, and significant competition exists among players in the industry. As a result, the bargaining power of industry players is moderate.

Power Transmission & Distribution

Out of the entire aluminum utilization in the world, 10% is used in the electrical & electronics sector in Europe, 9% in the USA and 7% in Japan. The largest utilization area of the aluminum in this field is the power transmission lines. The steel-core aluminum conductors have become the only material preferred for the high voltage power transmission lines. Aluminum is widely used in the underground cables, electrical cable ducts and motor coil windings as well. In electronics, the frames, chips, transistor heat sinks, data

recording systems and the electronic equipment cases are included in the utilization areas of aluminum.

Power Transmission and Distribution Hardware Fittings are required for use on Overhead Transmission & 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 2012-13 the Company recorded a sales turnover of T & D Hardware amounting to Rs.239 lakhs (approx.) against Rs. 459 lakhs in the previous financial year. The Company has successfully registered itself as a supplier of its products with a number of State Electricity Boards during the year and the process is continuing. The process will get further momentum as company achieves requirements of minimum years of supply track record and experience, with each passing year. The Company has received substantial orders from the said State Electricity Boards and State based utilities and Erection Contractors.

As the Company gets itself registered as a supplier with more electricity utility companies, the order book will become better and stronger, and the growth in the coming years is likely to be in multiples of the previous year performance.

Challenges in the Indian extrusions market

In spite of economic fluctuations the world over, demand for aluminium extruded products is on the rise. Though building & construction sector proves to be the most valued consumer of aluminium, an insight into the future prospects of aluminium extrusion industry will highlight its growing demand in the solar industry and automobile industry. In India, the aluminium industry is highly fragmented owing to presence of nearly 75 manufacturers. Volatility in the raw

material prices and foreign exchange fluctuations has been affecting the growth of aluminium industry to a large extent. Construction sector with a massive population and vast open spaces / areas is an ideal choice for solar energy production. Aluminium is the most preferred metal in the manufacture of solar panels. Indian aluminium extrusion manufacturers need to stress on innovation and new design options and move further down the value chain through sharing of knowledge based information with consumers. This is mainly because in U.S.A. and European countries, extrusion manufacturers went further down the value chain and supplied fabricated products to customers. This growing trend is slowly gaining momentum in India also as new players are competing with the key ones.

RISKS AND AREAS OF CONCERN

Business ethics and core values are two locomotives that drive our Company to detect areas of risks at an early stage and thereby extenuating them promptly and efficiently. The potential of our Company to evaluate and cope with business risks is imperative in realization of the desired goals. The Company perceives the following risks and concerns.

a) Market Competition: The Company is operating in a fiercely competitive market as market dynamics are forever changing with entry of new players in the field of extrusion manufacturing. New players are targeting resellers. Consequently, old players who were earlier in reseller markets are turning towards end users creating competition for the Company.

In India, wider market accessibility and a liberal economy has paved the pathway for easy availability of world-class imported extrusions in the local market. Need of the hour is continual technological upgradation for Indian extrusion manufacturers to preclude the headwind of emerging market economies from sweeping it of its firm foothold in near future.

Our Company is consciously attempting to foray into new vistas of aluminium extrusion alloys in order to put its footprint in the growing markets where demand is higher and return is reasonable.

b) Government Policy risk: The Government policies in the present economic state of affairs are pro-industry and pro-growth which minimizes the inherent policy risk. But at times there are delays in clearances / approvals by Govt. agencies in obtaining lease renewals for land mortgaged with financial institutions and banks.

This adversely affects the financial facilities obtained from the Banks. A little attention towards development and budgetary support from the government will help in a big way to the overall benefit of the economy.

Entry Tax: The West Bengal Government has introduced “The West Bengal Tax on Entry of Goods onto local Areas Act, 2012” w.e.f 01/04/2012. This will increase the cost of raw material and other inputs procured from outside West Bengal by 1% thus lowering the profit margins.

- c) **Competition from local manufacturers:** Local Extruders are expanding their capacities and have also started the production of extrusions in medium strength alloys. Some of the customers choose local suppliers for quicker deliveries. Further to compete with local suppliers, we have to sacrifice our margin to neutralize the effect of higher cost of packing, Freight & Central Sales Tax. Our location is in a relatively under-developed part of the country and the demand in this part is not good enough to account for our capacity. We have to sell a substantial quantity (over 65%) in other parts of India where our realization is lower compared to local supplies due to impact of the higher cost of packing, freight & Central Sales Tax and the newly introduced Entry Tax by the West Bengal Government.
- d) **Retention of experienced manpower:** Our Company has always valued manpower as one of its greatest assets. Pool of talented, committed, and zealous workforce is the driving power behind its rapid growth. A dynamic and amicable work environment coupled with innovation and motivation aids the Company to maintain its treasured manpower.
- e) **Price Fluctuation Risk:** Spiraling raw material prices have been looming large over the extrusion industry for the last couple of years. Continuous supervision of aluminium metal inventory in order to get maximum benefit or alternatively to curtail loss by monitoring inventory levels in each circumstance is a major challenge, and this is regularly scrutinized at the highest level in the Company.
- f) **Trade Union Activities:** Our Workmen’s unions operate under the control of three different political parties. It is a challenge to meet the ever-increasing expectations from the Unions, who at times put unreasonable demands due to inter-union rivalry in a bid to secure the support of large number of workmen.

RISK MANAGEMENT

We believe that -”The first step to the risk management process is to acknowledge the reality of risk. Denial is a common tactic that substitutes deliberate ignorance for thoughtful planning “. Our Company has a system based approach to business risk management. Backed by a well-planned internal control system, the current risk management agenda consists of the following elements:

- Enterprise Risk Management Policy manual clearly lays down the strategy, policy and initiatives in relation to risk management.
- A strong and independent Internal Audit Function carries out risk focused audits enabling identification of areas where risk management processes may need to be improved. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Committee closely monitors the internal control environment within the Company and ensures that Internal Audit recommendations are effectively implemented.
- The Senior Management of the Company periodically reviews the risk management framework to effectively address the emerging challenges in a dynamic business environment.

The Company strives to identify opportunities that enhance Organizational values while managing & mitigating risks that can adversely impact its future performance.

SEGMENT-WISE /PRODUCT-WISE PERFORMANCE

The Company has two business segments i.e. manufacturing of Aluminum Extruded Products and manufacturing of Power Transmission & Distribution Line Hardware. However, the Company does not fall under any of the criteria laid down under AS-17 and hence Segment Reporting is not applicable.

INTERNAL CONTROL SYSTEM

The Company has an adequate internal control system to ensure proper and efficient use of the Company’s resources, their protection against any unauthorized use, accuracy in financial reporting and due compliance of the Company’s policies and procedures as well as the Statutes. Internal Audit reports are regularly placed before the Audit committee and management analysis of the same is done to ensure checks and controls to align with the expected growth in operations. The Internal audit is carried out by an