

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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Dear Members,

We are pleased to present the 26th Annual Report of the Company for the year 2013 - 2014.

Growth of the Indian economy

Growth of the world economy has weakened significantly during 2012 and was expected to remain subdued in the coming two years. According to the United Nations Department of Economic and Social Affairs, the global economy was expected to grow at 2.4 per cent in 2013 and 3.2 per cent in 2014, a significant downgrade from the United Nation's forecast of half a year ago. This growth pace was not enough to overcome the continued jobs crisis faced by many countries. With existing policies and growth trends, it would take at least another five years for Europe and the United States to make up for the job losses caused by the Great Recession of 2008-2009.

The economies of the developed countries still face strong headwinds in their struggle to return to sustained growth and consequently the growth outlook for 2013 and 2014 was very weak, whereas on an average, developing countries – and also the least developed countries – have grown at a much faster pace than both developed economies and economies in transition.

India's economic growth rate hit a new decade's low at 4.5% in the financial year 2012-13 — a much slower pace than the 5% estimated earlier—owing largely to a sharper-than-projected slowdown in construction and mining, as well as an upward revision of growth data for the previous fiscal year. India's economy is caught up in its sharpest downturn for a decade. Soaring borrowing costs and delays in securing mandatory government approvals have stalled corporate investments and crimped cash flows, while high inflation and slower hiring have shaken consumer confidence and forced households to resort to cost cutting. Asia's third-largest economy has been weighed down by various factors, such as high inflation, a weak currency and a slump in foreign investment.

The Indian economy was expected to grow by 4.9 per cent in the financial year ending March 31, 2014, at a faster pace than the previous year, mainly on an improved level of performance particularly in the agricultural and allied sectors. For 2013-14, the projected growth rate was 4.6 per cent in agriculture and allied sectors, up from 1.4 per cent a year earlier. Manufacturing, however, was estimated to register a contraction of 0.2 per cent in 2013-14 compared with growth of 1.1 per cent in 2012-2013. Slowing growth, coupled with a recovery in developed markets, such as the US, has made India a less attractive option for foreign investors.

According to CRISIL, India's growth rate in the current fiscal is expected to slide to 4.8 per cent and the prospects for 2014-15, which currently appear to be bright, hinge on the stability of the new government. "We believe growth will print at 6 per cent for 2014-15, up from our 4.8 per cent estimate for 2013-14," CRISIL said, adding that a normal monsoon would cushion growth and help in taming inflation. Normal monsoons, reforms and global recovery would aid the growth process, it said, but cautioned that growth could weigh in below 5 per cent yet again if the above assumptions do not play out.

The Scenario of the Aluminum Extrusion Industry

Aluminium is one of the most versatile and essential materials for the global economy. The commodity's extensive properties, including strength, conductivity, recyclability, and lightweight make it the world's second most sought after and used metal after steel.

Aluminium is consumed in almost every industry; however, out of all industries, the construction and automotive industries are the largest consumers, accounting for over half of the total aluminium consumption. It is expected that the construction and automotive industry will remain the largest aluminium consuming sectors in the coming five years.

The packaging industry, which was the third largest industry after construction and transport sectors for aluminium consumption in 2011, is expected to display the highest growth rate in the next five years.

Unlike other metals, the aluminium industry has been likewise affected by both market and non-market forces for almost two decades. Currently, the aluminium market is experiencing considerable influences of poor global economic development, which is basically affecting the prices and demand for aluminium from its end-use sectors. The continuing global economic crisis has not set a favourable condition for the aluminium market in the short term. Progressing forward, as the global economic condition improves; the aluminium market performance will also show signs of betterment.

Looking over the supply-side, the market is shifting towards the Middle East due to the availability of cheap energy in the region, while aluminium producers in Western Europe and Northern America are continuously mothballing or permanently removing their production capacities to reduce losses. Moreover, the rising aluminium production capacity in China is a major concern for aluminium producers around the world.

The Indian Aluminium industry is forging ahead with rapid expansion in both primary metal and downstream sectors. With the continuing trend of economic growth, the demand and consumption of Aluminium is expected to increase rapidly. Higher consumption levels in building & infrastructure, automotive packaging, power, consumer durables and other industrial sectors will contribute towards increase in Consumption. Aluminium demand in India is anticipated to grow more than 5 times by 2030.

The Indian aluminum industry holds strong growth prospects for the medium and long term, as aluminum capitalizes on new opportunities in building & infrastructure, automotive packaging, other industrial & engineering sectors.

FINANCIAL PERFORMANCE

The Company realized a sales turnover of Rs.21300 lacs as against Rs.19944 lacs in the previous financial year recording an increase of about 6.8%. The Power

Transmission & Distribution Hardware (Power T & D Hardware) division registered a sale of Rs.347 lacs as against Rs.239 lacs in the previous year. The balance of the turnover was contributed by Company's principal business i.e. by Aluminium Extrusions Division.

The Loss after Tax (LAT) for the year is Rs.104 lacs as against Rs.2 lacs for the previous financial year 2012-13 reflecting decline in financial performance due to:

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

Cost control being the basis of its operations and to raise its output of value-added products, the Company is always committed to alleviate costs in all spheres of its operations basically to retain higher returns. The Company continually invests in upgradation of Technology for cost reduction & improved performance.

	(Rs.in lacs, except per share data)	
Year ended March 31	2014	2013
Sales	21300	19944
Profit before Interest, Depreciation and impairment of Assets	869	1194
Interest	682	713
Profit before Depreciation and Impairment of Assets	187	421
Depreciation and Impairment of Assets	441	442
Net Profit	(254)	(21)
Provision of Taxation	(150)	(19)
Profit after Tax	(104)	(2)
Profit brought forward	1751	1753
Balance carried to Balance Sheet	1647	1751

DIVIDEND

Due to absence of distributable profits during the year under review the Board of Directors do not recommend a dividend payout.

PRODUCTION

The Aluminium Extrusions production for the year was **10833 MT** as against 10086 MT in previous financial year showing a growth of 7.4 %.

The Power T & D Hardware achieved production of Rs.347 Lacs during the year as against Rs.239 Lacs during the previous year. The industry has a longer gestation period

of roughly 4 to 6 years primarily because the prospective customers, mainly the State Power Distribution Companies require prior supply experience before they allow fresh participants in their tenders. The Company has already completed five financial years of operation in the Power T & D Hardware business and expects this division to contribute higher turnover and profitability from 2014-15 onwards.

COMPANY OVERVIEW AND GROWTH STRATEGY

Customer-centric approach and customer focused service have been our continued endeavour for business development. The customer demand in the infrastructure

area, under the wings of which one can put everything from the real estate to power plants, is healthy in the medium to long term business planning.

Success Drivers

Our Legacy: With an experience spanning a rich 23 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 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. Or 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 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 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 and cold drawn round bars and hexagonal bars in straight lengths for various engineering applications. It also has a set up to supply extruded and 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 23 years.

Our Company is in a position to supply Extruded Aluminum Profiles in Alloys **1xxx** to **7xxx** series. This is our major strength. 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 defense applications. Along with diversified end- user industries the company has strong client base. Its top 10 clients 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 discounts from Vedanta Aluminium Ltd and National Aluminium Company Ltd on lifting pre-specified quantities.

Rich Market Presence

Our company takes pride in establishing strong bonding with all its customers and vendors as we think they are our partners-in-progress. We relentlessly work towards building deep ties with our vendors to develop specialized products in order to cater to diverse and evolving needs of our clientele.

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 500 reputed customers. The real potency of the Company lies in its large number of customers in different customer segments spread in different geographical locations in a developing economy like India.

FUTURE OUTLOOK

Extrusions

Our Company has an installed capacity to produce 15000MT of extrusions per annum. As against this, our production for the year 2013-14 was 10833 MT. We thus have a significant spare capacity to increase production and sales volume.

If we look from a statistical angle from the year 2005 to 2010, it seems that the global annual growth for aluminium extrusions was somewhere around 4.9 percent. In USA, the primary consumer of extruded aluminum products is the construction industry. The importance of extrusion industry can be evaluated from the fact that out of the total number of aluminum production firms nearly 36% are extrusion companies. The Chinese Aluminium Extrusion Industry has also seen a phenomenal growth in the last 15 years. China is performing well on the extrusion side — the industrial and commercial building and construction market are expected to see 10-15% growth. Surprisingly, U.K.'s per capita usage of extrusion is still less than 4kg, the lowest among the developed countries.

In India, per capita consumption of extrusion is amongst the lowest in the world. But the existence of high quality Bauxite reserves in this country depicts a promising future

for the aluminium industry.

The segment-wise expected demand growth is given hereunder:

- 1. Power Sector** – Power finds higher usage in this country than the rest of the World. Aluminium usage in the power sector will continue to be predominant. Power sector is the major user 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** – By 2020, the construction sector in India is projected to emerge as the largest end use sector for Aluminium. Like any other field, the building and construction industry is also confronted with a plethora of environmental issues like impact on climate change, building materials, and methods of waste disposal and recycling etc. One very important aspect of using aluminium in building is the energy efficiency. Buildings account for over 40% of global energy consumption and it is here that aluminum extrusion has a major role to play. The use of aluminium extrusions puts the buildings on a low energy diet thereby contributing to the environmental cause. If we look at the safety side, aluminium extrusions are the key element in storm shutter systems in hurricane-prone regions. As the real estate sector is growing, consumers as well as builders are growing more concerned about the lifecycle of the building and its fittings and aluminum extrusions provide that durability without adding extra weight to the building base. Then there are other factors like design, functionality, space utility, finish and aesthetics, finance and profit etc., and considering all these, aluminium becomes the material of choice in this field.
- 3. Rapidly growing Automobile Industry** – The Automotive Industry in India is expected to grow 4-5 times from USD 34 bn to USD 150 bn by 2016. 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 in 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 useful life is less. Exemption of aluminium irrigation pipes from excise duty will benefit this sector.
6. **Solar Energy Industry** is a hopeful segment, solar energy being a clean, renewable source of energy abundantly available during daytime. The extrusions industry has lot of growth potential in this sector as customers worldwide are becoming more and more ecologically conscious and the trend at the moment is to invest in energy-efficient and environmentally sustainable products.
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 mats for tanks to navigate difficult terrains. Your Company supplies rods/bars and tubes in medium and high-strength alloys to the defence sector. Our Company supplied 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 project.

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 and 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 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 2013-14 the Company recorded a sales turnover of T & D Hardware amounting to Rs.347 lacs (approx.) against Rs. 239 lacs 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 coming few years is likely to be in multiples of the previous year performance.

Challenges in the Indian extrusions market

Aluminium Extrusion industry worldwide is facing a number of challenges particularly in the comprehensive building and construction sector. Pricing is a key driving factor and loosening the price sensitivity in the worldwide markets could result in eliminating reservations among the consumers of aluminium extrusions. It is not always appreciated, more so in the developing economies that quality extrusions will cost more, but they will pay in the long run by keeping building structures age-proof, cutting on the maintenance cost and improving energy efficiency.

India is approaching a fast lane growth in construction sector in which huge role is played by architectural aluminium. More than 5000 coaters/anodizers cater to the surface finish requirements of the architectural aluminium here

In India, per capita consumption of extrusion is amongst the lowest in the world. The total installed capacity for aluminium extrusions in India is around 400,000 MT per annum. However, since a large component of this figure is based on installation of used and reconditioned equipments, the actual rated capacity is anybody's guess. There is also a large number of 'backyard' extruders using secondary metal and their capacity to produce and supply never gets reflected in the overall demand and supply set-up. As everywhere else, building & construction industry is the major consumer of aluminium extrusions in India which accounts for over 60% of the overall consumption of extruded sections in the country. The next major consumer segment is the transport and related infrastructure segment. With the implementation of Rapid Transit Systems (RTS) in most metros in India, this segment is fast emerging as a consumer of aluminium extrusions in India.

The slowdown in the Economy has meant that construction and auto firms are consuming less steel and Aluminum. There is a quote which says 'What gets measured is managed' and this applies equally to the Aluminium Extrusions Industry also.

RISKS AND AREAS OF CONCERN

Business ethics and core values are two locomotives that drive your Company to detect areas of risks at an early stage and thereby extenuating them promptly and efficiently. The potential of your 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.

Your 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 Divisional Bench of the Hon'ble High Court of Calcutta has stayed the single bench order dated 24/06/2012, which ordered levy of this tax as ultra vires to the Constitution of India. But the Hon'ble High Court of Calcutta further directed that the assessment proceedings should go on.

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 Freight and Central Sales Tax. Our location in a relatively under-developed part of the country and the demand in this part are not good enough to account for our capacity. We have to sell a substantial quantity (over 70%) in other parts of India where our realization is lower compared to local supplies due to impact of the high freight and Central Sales Tax and the Entry Tax imposed 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 irrational burden on the management due to inter-union enmity in a bid to secure the support of larger 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 ". Your 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 and 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 independent firm of Chartered Accountants on regular basis and corrective actions are taken when any shortcomings are identified.

The Audit committee reviews the adequacy of the internal control system and provides its guidance for constant improvement in the system.

INFORMATION TECHNOLOGY

The Company is continuously working on the Information Technology to get the maximum benefits for the Organization. The Company is successfully using a software system which is single, comprehensive, integrated solution called SAP Business One application. With the use of this integrated software there have been profound improvements in all spheres of its activities.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human Resource is the most valuable asset in this planet. Our Company believes in providing a congenial and healthy work environment and emphasizes on performance appraisal and on-the-job trainings to value and retain talented manpower.

Our Company appreciates that individual efforts combined with integrated teamwork facilitate a concern to reach its defined targets. Effective human resource management systems and practices are developed and followed by the organization to create a proactive work culture to ingrain core values.

Our Company believes that employees are the backbone of the organization. The relations with employees have throughout the year remained cordial.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The fundamental corporate philosophy of our Company is the guiding force behind ensuring sound Corporate Social Responsibility (CSR). The Aluminum Sector is one of the industries that cause least environmental pollution. The Aluminum production methods do not harm the environment as they are energy efficient.

Safety is an integral part of your Company's operations and is viewed with prime concern. The manufacturing process and plant of our Company adhere to various safety standards laid down by regulatory authorities. Our Company has received the prestigious OHSAS 18001:2007 certification for its relentless commitment towards maintenance of Occupational Health and Safety Management System Standards.

Our Company continues to undertake various activities for the welfare of the society by making contributions to educational institutions and for medical treatment of underprivileged children and other charitable causes.

The Company has over the years pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes beyond mere cosmetic philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the company itself in an environment of partnership and mutual trust for inclusive development.

Even though our Company has always been conscious about its carbon footprint on the environment, CSR activities in its true sense haven't been initiated, but being a responsible corporate citizen our Company however is greatly committed to conservation of environment and ensures to conduct all its industrial operations with minimal impact on the environment.

DIRECTORS

Mr. V. Jhunjhunwala retire from directorship of the Company by rotation, and being eligible, offer themselves for re-appointment.

In strict compliance with Section 149 of the Companies Act, 2013 Mr. V.K. Mushran, Mr. M.G. Todi, Mr. R.K. Sharma and Mr. A.K. Hajra retire from directorship at the upcoming Annual General Meeting and being eligible offer themselves for appointment. They will be designated as "Independent director and their tenure of directorship as an Independent Director, if approved by the Members of the Company will be for a term of 5 years commencing on and from the date of the Annual General Meeting in which they are elected by Members of the Company.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional area and the names of the Companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under clause 49 of the listing agreement with the Stock Exchanges, are provided as an annexure to the Notice convening the Annual General Meeting.

BRICKWORK RATING

BRICKWORK has assigned its 'BWR BB+/Stable' rating to the cash credit facility of Century Extrusions Ltd (CEL) and affirmed its rating on CEL's letter of credit, bank guarantee and term loan facilities at 'BWR BB+/Stable/A4+'. The ratings continue to reflect CEL's healthy financial risk profile, marked by a low gearing and healthy interest coverage ratio, diversified end-user profile, and established relationships with its suppliers. These rating strengths are partially offset by CEL's large working capital requirements, and susceptibility to volatility in raw material prices.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit or loss of the Company for the year ended on that date;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

AUDITORS/AUDITORS' REPORT

The auditors, M/s. ALPS & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. There are no qualifications or adverse remarks in the Auditors' Report, which require any clarification/explanation.