

## **CENTURY EXTRUSIONS LIMITED**

### **BOARD OF DIRECTORS**

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

### **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  
Yes 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)



## INDEX

	<b>Page No.</b>
1. Directors' Report and Management Discussion Analysis	3-10
2. Annexure to the Director Report	11-21
3. Report on Corporate Governance	22-29
4. Corporate Governance Certificate	30
5. Certificate from Managing Director and DGM (F & A)	30
6. Secretarial Audit Report	31-33
7. Independent Auditors' Report	34-35
8. Annexure to the Independent Auditor's Report	36-37
9. Balance Sheet	38
10. Profit & Loss Account	39
11. Cash Flow Statement	40
12. Notes	41-60

**Dear Members,**

**We are pleased to present the 27th Annual Report of the Company for the year 2014 - 2015.**

### **Growth of the Indian economy**

The world economy grew at a faster pace in 2014-15 as modest revival in the Euro zone and pick up in India aided in off-setting slowdowns in China and Japan. According to the Organization for Economic Cooperation and Development (OECD), the gross domestic output of the Group of 20 largest economies (G-20), which accounts for more than 90% of world economic output, expanded to 3.4% in 2014-15 as compared to 3.2% in 2013-14.

According to World Economic Surveys conducted by International Monetary Fund (IMF), acute risks have decreased, but risks have not disappeared. In the United States the recovery seems solidly grounded. Geopolitical risks have arisen, although they have not yet had global macroeconomic repercussions.

Potential growth in many advanced economies is still low, this is bad on its own, but it also makes fiscal adjustments more difficult. Global activity in many developed economies have strengthened and improved further in 2014-15 compared to 2013-14. Inflation in these economies, have however undershot projections, reflecting still-large output gaps and recent commodity price declines. Activity in many emerging market economies has disappointed in a less favourable external financial environment, although they continue to contribute more than two-thirds of global growth.

IMF says that, "Finally, as the effects of the financial crisis slowly diminish, another trend may come to dominate the scene, namely, increased income inequality. Though inequality has always been perceived to be a central issue, until recently it was not believed to have major implications for macroeconomic developments." Overall, the global growth was not upto expectation in 2014-15, but it is expected to rise moderately in 2015-16.

In its latest World Economic Outlook in April 14, 2015 IMF states that "India's growth is expected to strengthen from 7.2 percent in 2014 to 7.5 percent in 2015. Growth will benefit from recent policy reforms, a consequent pick-up in investments and lower oil prices." India is set to become the world's fastest growing economy by 2016 ahead of China, says IMF. India's macro-economic prospects have strengthened and the country is best positioned among emerging market economies.

### **The Scenario of the Aluminum Extrusion Industry**

Aluminium is truly versatile, most sustainable and industry appealing metal. Aluminium's unique properties, i.e., light-weightedness, high strength and resistance to corrosion give it an edge over steel in conventional and novel applications. The metal, which is only one-third the weight of steel, is non-magnetic, non-combustible and is non-toxic as well as impervious, the reason why it has extensive use in the food and packing industry. Other properties are high reflectivity and rapid heat dissipation. It is malleable and can be easily worked by the common manufacturing and shaping processes.

According to the Department of Mines, Government of India, India's aluminium production was lower by 16.5% at 1.72 MT in 2013-14 fiscal compared to the target of 2.06 MT. Industry sources state that the non-availability of bauxite on time for some of the units has crippled production and falling global prices of the metal also contributed to the non-achievement of target.

For the period between 2010 and 2016, India would be the only country in the world registering a compounded annual growth rate in the consumption of aluminium. India is endowed with rich Bauxite reserve which is approx. 6.76% of the world total and ranks 5th among the world bauxite reserve base.

According to Aluminium Association of India, India has produced nearly 8% of the total world production as compared to China's 44%, USA's 11% and Japan's 4%.

Companies in India are investing heavily in the aluminium sector. Hindalco Industries Ltd which is Asia's largest integrated primary producer of aluminium, has already made a capital expenditure of US\$ 5.5 billion, since 2009. This is a sure sign of dynamism in this sector.

The rapid growth of the emerging nations led by China and India is expected to drive aluminium consumption in the future. Aluminium consumption in BRIC nations alone is expected to increase at a CAGR of 9% over the period 2007-2020. Demand in the fast-growing Chinese market is expected to reach 40.8 MT by 2020. The gradual recovery of the recession-hit world markets, especially the construction and transportation sectors, would facilitate further expansion of aluminium consumption.

### **FINANCIAL PERFORMANCE**

The Company reported a sales turnover of Rs. 19438 lacs as against Rs.21300 lacs in the previous financial year recording a decrease of about 8.75%. The Power Transmission & Distribution Hardware (Power T & D

(Rs.in lacs, except per share data)

Year ended March 31	2015	2014
Sales	19438	21300
Profit before Interest, Depreciation and impairment of Assets	1073	869
Interest	632	682
Profit before Depreciation and Impairment of Assets	441	187
Depreciation and Impairment of Assets	337	441
Net Profit	104	(254)
Provision of Taxation	40	(150)
Profit after Tax	144	(104)
Profit brought forward	1647	1751
Balance carried to Balance Sheet	1738	1647

Hardware) division registered a sale of Rs.378 lacs as against Rs. 201 lacs in the previous financial 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 financial year is Rs.144 lacs as against loss of Rs. 104 lacs reflecting moderate improvement in the financial performance.

Spiraling costs resulted in increased cost of production. Our Company's cost control initiatives helped in mitigating inflationary pressures and curbed overall cost increases.

## DIVIDEND

Due to inadequacy of distributable profits during the fiscal under review, the Board of Directors regrets their inability to recommend a dividend payout.

## PRODUCTION

The Aluminium Extrusions production for the year was 8938 MT as against 10833 MT in previous financial year.

## COMPANY OVERVIEW AND GROWTH STRATEGY

Effective and timely customer service-oriented approach has been our strength for business development.

### Success Drivers

*Our Legacy:* A rich experience of 24 years is an asset to the Company and furthermore our Company enjoys a number of first mover advantages comprising a comprehensive understanding of 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 4500 dies to manufacture over 3000 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. Our Company continues to emphasize on maintaining the utmost quality and safety standards in its factory. Our unit 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;
- 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 FHP Motor Housings, Hydraulic Gear Pump Casings, Ferrules, A.C.Louvres, Machinery Parts, Elevators, Pneumatic Actuators, Pneumatic Cylinders, Valve Bodies, etc.
- Profiles for 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, 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 24 years.

Our Company is in a position to supply Extruded Aluminum Profiles in Alloys **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 profiles are also used in Aluminium Form-

work. Its products are used in rail coach windows & doors, electrical gadgets, transmission line hardware, hydraulic 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**

Our company markets its entire product range through a nationwide network of regional marketing offices and sales units. Their reach and prompt action helps the Company to supply timely to local markets.

The Company possesses a portfolio of over 500 reputed customers. Nearly 80 to 85% of the revenues in 2014-15 was derived out of sales to age-old customers. Vast number of customers spread across the country is our Company's forte.

#### **FUTURE OUTLOOK**

##### **Extrusions**

Our Company has an installed capacity to produce 15000MT of extrusions per annum. As against this, our production for the year 2014-15 was only 8938 MT. We thus have a significant spare capacity to increase production and sales volume.

The economic environment in the coming decade in India is likely to be highly conducive to the growth of aluminium extrusion sector thanks to the reviving fortunes of building and construction sector, massive thrust towards use of solar energy, new applications in the transportation sector, etc. The future of the aluminium industry is intrinsically related to the issue of global warming and emission of greenhouse gases. Production of aluminium is an energy intensive process and as per the International Aluminium Institute (IAI), new stocks of aluminium accounts for 1% of total greenhouse gas emissions by humans. Therefore, a key focus of the industry is the reduction in emissions by promoting aluminium recycling and expanding use of the metal in automobiles, trains and aircrafts. Estimates provided by the IAI depict that every kilogram of a heavier material that is replaced by aluminium, in a vehicle results in the reduction of 22 kilograms of carbon dioxide over the lifetime of the vehicle.

Innovative products and solutions are also central to the future demand for aluminium and growth of the industry. Fuel-cell powered cars are promising applications that can potentially become a high growth segment for the aluminium industry. This is because aluminium could be used to produce hydrogen fuel efficiently, which would help in the growth of fuel-cell powered cars and thereby arrest greenhouse emissions.

The segment-wise expected demand growth is given hereunder:

1. **Power Sector** – In India, the electrical sector is the largest consumer of this metal. Bulk of the Aluminium usage is in overhead conductors and power cables used in transmission and distribution of electricity. Aluminium is used in switchboards, coil windings, capacitors and many other applications as well. The strongly growing LED lights market in India will drive the demand for heat sinks, along with several other applications in electrical and electronic sectors.
2. **The vibrant Real Estate Sector in our country** – Investments in infrastructure and housing segments are likely to boost demand for aluminium extruded profiles. Customers worldwide are growing ecologically conscious and are keen on using environmentally sustainable products coupled with rising incomes and demand for enhanced quality. Aluminium extrusions are being used in commercial and residential buildings as well as in shopping centers, bridges and stadiums, and also in restoring and reconstructing historical buildings.
3. **Rapidly growing Automobile Industry** – The Automobile sector in India has been the key force behind the demand for aluminium castings. India's emergence as a hub for the manufacture of automobiles and the global trend towards reducing the weight of automobiles, is acting as growth factor in this area.
4. **Engineering Applications** – The engineering sector is one of the largest sectors in Indian industry. Aluminium is widely used in engineering applications, machinery and equipment in India.
5. **The Sustained Agriculture Emphasis in our Country** – The usage of Aluminium is on a constant rise in the agricultural sector in this country as aluminium extruded agricultural pipes are popular due to their versatility and affordability.
6. **Solar Energy Industry** – Aluminum extrusions is aiding in converting sunlight to green power with strong and light-weight frames and structures. Aluminium extrusions can be used to create a comprehensive framework for solar panels in a variety of situations,

including frames, supports and connectors. The versatility of aluminium extrusions makes them the preferred choice over other metals in this sector.

7. **Indian Defence Sector** – Missiles, rockets and spacecraft, all use Aluminium. In this sector, aluminium also finds its usage in the construction of bridges, pre-fabricated houses, etc.

The Indian Aluminium extrusions industry is fast becoming vibrant with strong growth prospects and high demand. Conventional applications such as curtain walls, windows and doors as well as new applications such as formwork and scaffolding are the driving factors behind demand for aluminium extrusions in India.

### Power Transmission & Distribution

India is the fourth largest in power generation in the world. Presently, India has more than 144,565MW in installed capacities and a 250,000 ckt.kms in power transmission lines. It is the sixth largest consumer of electricity in the world with rapid rise in consumption growth (avg. Growth rate of consumption around 14%). Thermal power plants constitute 66% of the installed capacity, hydroelectric about 19% and rest being a combination of wind, small hydro, biomass, electricity from waste and nuclear.

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.

Wireless communication with wireless sensors is another promising alternative medium for transmission and distribution systems.

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 2014-15 the Company recorded a sales turnover of T & D Hardware amounting to Rs. 201 lacs (approx.) against Rs. 378 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.

### Challenges in the Indian extrusions market

There are a number of disadvantages in the Indian aluminum extrusions industry amongst which cost is a key issue. High operational costs, higher administrative expenses per unit of manufacturing and sale of finished products are major hindrances.

However, there are certain other issues which the aluminium industry in India needs to address such as availability and quality of billets, especially in hard alloys. There is a perception in some quarters that the quality of billets that are imported from Dubai, Qatar or from Europe is significantly higher than what is available locally. The development of extrusion business depends on the ability of an extruder to source the high quality billets in multiple alloys and the ability to get manufacturing waste recycled locally. From the environmental perspective, it is important to have recycling plants that produce high quality billets from both manufacture waste and end of life scrap. Many Indian extrusion manufacturers do not have their own finishing lines for powder coating or anodising and depend on external resources for this value addition. Yet another issue facing the Indian aluminium extrusion sector is the lack of scale with far too many small players scattered across the country and there are just a handful of large players who can invest in the latest technology. Hence, it is time for the stakeholders of the aluminium extrusion sector in India, viz. the extruders, primary aluminium producers, recyclers and the end users to converge and put this sector firmly on the high growth trajectory.

### RISKS AND AREAS OF CONCERN

Our Company has formulated a well-defined risk-management strategy to detect areas of risks at an early hour and thereby mitigating them promptly and efficiently and this is in conformity with the new regulatory requirements. The Company perceives the following risks and concerns :

**a) Market Competition :** Operating in a dynamic market environment with fluctuating price risks combined with competition from new entrants in the field of extrusion manufacturing is posing as a hindrance to the growth prospects of our Company.

Our Company is deliberately venturing into innovative avenues of aluminium extrusion alloys in order to set its mark in the emerging 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, as well as our Company.

**c) Competition from local manufacturers:** The Aluminium extrusions industry in this country is highly fragmented. Local market is growing at a rapid pace as customers prefer local extruders for faster supplies which save both time and cost. Competition with local extruders has compelled us to sacrifice our margin to counteract 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 65%) 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.

**d) Retention of experienced manpower:** Our Company believes without the efforts of its employees it is not possible to accomplish organizational goals. A training oriented employee skill-development approach coupled with innovation and motivation aids the Company to retain its valued human resources.

**e) Price Fluctuation Risk:** Price is the major driving factor, particularly the price of raw materials, and India is one of the most price sensitive markets in the world. Regular 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 Company's Workmen's unions operate under the control of three different



political parties. It is a challenge to meet the growing demands 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**

Risk Management is a key attribute of the Corporate Governance Principles and Code of Conduct of our Company and it aims to deal with the governance practices across the Company's actions. Risk Management practices and policies enable the Company to proactively handle uncertainty and changes in the internal and external environment to limit negative impacts.

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 Policy is in compliance with amended Clause 49 of the Listing Agreement with Stock Exchanges which requires the Company to lay down procedure for risk assessment and for mitigating risks.

## **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 a strong and pervasive internal control system to ensure well-organized use of the Company's resources, their security 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 remedial actions are taken when any shortcomings are identified.

The Audit Committee reviews the competence of the internal control system and provides its guidance for constant upgrading 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**

Our Company believes that targets of the Company can only be reached with efforts from all its employees. Our Company recognizes that job satisfaction requires congenial work environment that promotes motivation among employees and therefore results in enhanced productivity, and innovation and also provide avenues for employee training and development to identify their potential and develop their careers in the Company.

The Company values contribution of its employees and follows the principle of informing all its employees about its future growth strategies.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

At Century Extrusions Ltd., Corporate Social Responsibility has always been an integral part of our corporate philosophy and it was followed much before the passing of the Companies Act, 2013. Aluminium being a green metal is less likely to cause environmental pollution as the processes employed are not harmful to the environment and are energy-efficient.



Our Company values safety as a 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.

Though our Company does not fall under the purview of Section 135 of the Companies Act, 2013, still it continues to undertake various activities for the welfare of the society by making contributions to educational institutions and for medical treatment of under-privileged children and other charitable causes.

The Company has constituted a Corporate Social Responsibility Committee to look after its CSR initiatives in order to integrate interest, welfare and aspirations of the community with those of the company itself in an environment of partnership and mutual trust for inclusive development. The Chairman of the Committee is the Board Chairman and other Members include Mr. M.G. Todi, Mr. V. Jhunjhunwala, Mr. R.K. Sharma and Mr. A.K. Hajra.

## DIRECTORS

Mr. M.G. Todi, Mr. V.K. Mushran, Mr. R.K. Sharma and Mr. A.K. Hajra being re-appointed as Independent Directors for a term of 5 years at the Annual General Meeting (AGM) held on 5th September, 2014 are not liable to retire by rotation at this AGM.

Mr. V. Jhunjhunwala retires from directorship of the Company by rotation, and being eligible, offers himself for re-appointment.

The Companies Act, 2013 requires that a Woman Director should be a member of the Board of Directors. Ms. Suhita Mukhopadhyay has been appointed as an Additional Director of the Company w.e.f. 31st March, 2015 and her appointment is subject to the approval of Members of the Company at the ensuing AGM.

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.

## KEY MANAGERIAL PERSONNEL

Mr. M.P. Jhunjhunwala, Chairman & Managing Director of the Company who is also a Whole-Time Director (WTD) and Ms. Sumana Raychaudhuri, Company Secretary both have been appointed before commencement of the Companies Act, 2013 and are the Key Managerial Personnel.

## POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company being a listed Company, Policy on Directors' appointment is to follow the criteria as laid down under the Companies Act, 2013 and the Listing Agreement with Stock Exchanges and good corporate governance practices. Emphasis is given to persons from diverse fields or professions.

The guiding Policy on remuneration of Directors, Key Managerial Personnel and employees of the Company is that:

- Remuneration to Key Managerial Personnel, Senior Executives, Managers, Staff and Workmen is commensurate with the industry standards in which it is operating taking into account the performance leverage and factors so as to attract and retain talent.
- For Directors, it is based on the Shareholders' resolutions, provisions of the Companies Act, 2013 and Rules framed therein, circulars, guidelines issued by the Central Government and other authorities from time to time.

## 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, 2015 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, 2013 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.

### BRICKWORK RATING

BRICKWORK has assigned its 'BWR BBB-' 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 A3'. The ratings upgrade has factored, inter alia, experience of the promoters in manufacturing aluminium and allied products, long standing corporate relationship with reputed customer base, consistent operating performance with cash profits and moderate gearing level. BWR has also positively taken note of the developments regarding repayment of a loan availed by West Bengal Industrial Development Corporation (WBIDC). The rating is, however, constrained by volatility associated with raw materials and finished goods prices and consequent inadequate debt protection ratios

### 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.

### COST AUDITORS

As per the directive of Central Government pursuant to the provisions of Section 148(3) of the Companies Act, 2013, your Directors have re-appointed M/s. N Radhakrishnan & Co., a firm of Cost Accountants, to conduct the audit for the year ended 31st March, 2015. E-Form CRA-2 has been filed to give effect to the appointment of cost auditors.

### PUBLIC DEPOSITS

The Company did not invite or accept any deposit from the public under Section 73 of the Companies Act, 2013

### PARTICULARS AS PER SECTION 134(3) OF THE COMPANIES ACT, 2013

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014, is set out in a separate statement attached to this report and forms part of it. The Company had no employee of the category indicated under section 134(3) (q) of the Companies Act, 2013.

### CORPORATE GOVERNANCE

The Company has been proactive in following the principles and practices of good Corporate Governance as an important step towards building investor confidence, improve investors' protection and maximize long-term shareholder value.

The Company has complied with the Corporate Governance Code prescribed by the Stock Exchanges and also stringently followed the Corporate Governance Guidelines as stipulated by SEBI. A detailed report on Corporate Governance along with Auditors' Certificate on compliance with the mandatory recommendations on Corporate Governance is annexed to this report.

### SECRETARIAL AUDIT

A Secretarial Audit was carried out by the Secretarial Auditor Mr. K.C. Khowala, Practicing Company Secretary pursuant to provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is annexed herewith and forms part of the Director's Report.

### ACKNOWLEDGEMENT

We express our sincere gratitude to our customers, vendors, investors and bankers for their continued support during the year. We place on record our sincere appreciation of the dedication and commitment of all employees in achieving excellence in all spheres of business activities.

We thank the Government of India, the Customs and Excise Departments, the Sales Tax Department, the Income Tax Department, the State Government and other Government agencies for their support, and look forward to their continued support in the future.

### CAUTIONARY STATEMENT

Statements forming part of the Management Discussion and Analysis covered in this report may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. The Company takes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

**For and on behalf of  
the Board of Directors**

**M P Jhunjunwala  
Chairman & Managing Director**

**Date: 2nd July, 2015**

**Place: Kolkata**