

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G Todi
R N Das
V K Mushran
V Jhunjhunwala
M P Jhunjhunwala - *Chairman & Managing Director*

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Kailash Baheti

COMPANY SECRETARY

Sumit Modi

AUDITORS

Khetawat & Associates
Chartered Accountants
310, Todi Chambers
2, Lal Bazar Street
Kolkata - 700 001

COST AUDITORS

N Radhakrishnan & Co.
Cost Accountant
11A, Dover Lane, (Flat B1/B4)
Kolkata - 700 029

REGISTRAR & SHARE TRANSFER AGENTS

MCS Limited
77/2A, Hazra Road
Kolkata - 700 029

BANKERS

State Bank of India
Allahabad Bank

REGISTERED OFFICE

113, Park Street
'N' Block, 2nd Floor, Kolkata - 700 016

WORKS

WBIIDC Industrial Growth Centre
Nimpura, Kharagpur
Dist. Midnapur (W.B.)



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NOTICE OF THE ANNUAL GENERAL MEETING



NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 27th July 2007 at 10:30 AM at Bharatiya Bhasha Parishad, (Sitaram Seksaria Auditorium), at 36A Shakespeare Sarani, Kolkata – 700017 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit and Loss Account for the year ended 31st March, 2007 and the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri M G Todi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sri R N Das 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 authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modification, the following resolution as a Special resolution :

RESOLVED THAT pursuant to the provisions of Section 198, 309, 310 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956, including any statutory modifications or re-enactments thereof, for the time being in force, the company hereby approves remuneration payable to Sri M P Jhunjunwala with effect from April 1, 2007 until the expiry of his term of appointment i.e. until August 20, 2009, as set out in the Supplemental Agreement dated 9th August 2006 entered into between the company and Sri M P Jhunjunwala, with a liberty to the Board of Directors to alter and vary the terms and conditions of the said Agreement as may be agreed to between the Board of Directors and Sri M P Jhunjunwala.

By Order of the Board

Kolkata

Dated : 31st May 2007

Sumit Modi

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 will remain closed from 24th July 2007 to 27th July 2007 (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 dematerialised 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 furnished under the Corporate Governance Report.
7. The notice itself may kindly be treated as an abstract under section 302 of the Companies Act, 1956 as far as Agenda No. 5 is concerned.



ANNEXURE TO THE NOTICE

ANNEXURE TO THE NOTICE

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

ITEM NO. 5

Sri M P Jhunjhunwala was appointed as Chairman and Managing Director with effect from 21st August 2004. He is being paid a basic salary of Rs.1,00,000/- per month and perquisites as per terms of the supplemental agreement dated 9th August 2006 with necessary approvals of the Board of Directors and Members of the Company.

Unfortunately, the profit of the Company for the financial year 2006-07 was not adequate for payment of the approved salary as per provisions of Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 and accordingly Mr. Jhunjhunwala had to refund a sum of Rs 5.67 lacs to the Company out of the salary paid to him for the year 2006 – 07.

In order to overcome any similar difficulty to pay the remuneration to the Managing Director, the Board of Directors of the Company have, upon recommendation of the remuneration committee, decided to seek shareholders approval for payment of remuneration to the Managing Director under Clause 1(B) of Section II of Part II of Schedule XIII, until the expiry of his term of appointment on 20th August, 2009.

The details required in a Statement as per Clause 1(B) of Section II of Part II of Schedule XIII are as hereunder :

- a) **General Information** : The Company is engaged in manufacture of aluminium extruded products at its factory located at Kharagpur in West Bengal. The Company had commenced commercial operation in 1991 with two extrusion press lines of 900MT and 1620MT press capacities. The Company expanded its capacity by installing a 3rd press line with 1250MT capacity press in 1997. Subsequently, the 900MT press had become inefficient and the Company had stopped its operation in 2001 and this press line was disposed off in the year 2005 – 06. As such, the Company presently has only two press lines of 1620MT & 1250MT press capacities respectively.

The company achieved a sales revenue of Rs 11870 lacs as against Rs 9678 lacs in the previous year. The operating profit for the year was Rs. 550 Lacs as against Rs. 522 Lacs in the previous year.

The Company has not achieved much success in its efforts to enter the export market. The Company has no foreign collaboration at present.

- b) **Information about the Appointee** : Sri M P Jhunjhunwala aged about 68 years is an arts graduate and has been associated with aluminium industry for over 35 years. He is also the promoter of the Company and has been working as Managing Director of the Company since 1st march 1989. Considering the experience of Sri Jhunjhunwala and the fact that he is associated with the company as Managing Director for over 18 years the remuneration proposed to be paid to him is very reasonable.
- c) **Other Information**: Due to past losses and consequent financial constraints, the Company could not make any significant capital investment for almost ten years, and is having constraints on available capacity. In the meantime, the overheads have significantly increased resulting in lower and inadequate profits.

The Company is presently considering expansion of capacity by installing a 3rd Extrusion Press Line. Upon the expanded capacity coming into operation, the overheads will be distributed over a much larger capacity, thus significantly improving the profitability of the Company.

The proposed expansion plan is to double the Company's installed capacity from 7500MT to 15000MT per annum. The production is expected to double from the current level over a period of 3 years. The profits are expected to increase more than proportionately.

The principal terms and conditions set out in the aforesaid supplemental agreement are as follows :

SALARY & PERQUISITES:

Basic Salary: Rs. 1,00,000/- per month. (in the scale of Rs 1,00,000/- to 3,00,000/-)

PART – A

Perquisites:

I. Housing:

- (a) House Rent Allowance at the rate of 60% of the salary. If, however, the accommodation is owned or hired by the Company, no such allowance will be payable and 10% of the salary of Shri M P Jhunjunwala will be deducted by the Company. The expenditure incurred by the Company for hiring furnished accommodation in Kolkata shall be subject to ceiling of 60% of the salary of Shri M P Jhunjunwala.
- (b) The Company shall bear the cost of gas, electricity, water and furnishings in respect of the accommodation of Shri Jhunjunwala.

II. Medical Reimbursement : Expenses incurred for Shri M P Jhunjunwala and his family.

III. Leave Travel Concession : For Shri M P Jhunjunwala and his family, once in a year incurred in accordance with the Rules of the Company.

IV. Club Fees : Fees for Clubs subject to a maximum of 2 Clubs.

V. Personal Accident Insurance : Personal accident insurance for an amount, annual premium of which does not exceed Rs. 10,000/-.

For the purposes of the aforesaid PART-A, “family” shall mean, wife and dependent children of Shri M P Jhunjunwala.

PART – B

I. Provident Fund, Superannuation Fund or Annuity Fund : Company’s contribution to Provident Fund, Superannuation or Annuity Fund will not be included in computation of ceiling on perquisites viz. Rs.6,00,000/- per annum, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

II. Gratuity : Not exceeding half month’s salary for each completed year of service, subject to a ceiling of Rs. 3,50,000/-

These facilities will not be considered as perquisites.

PART – C

I. Car: Provision of car for use on the Company’s business. Use of car for private purposes shall be billed by the company to Shri M P Jhunjunwala.

II. Telephone : Provision of telephone(s) at residence. Personal long distance calls on telephone(s) shall be billed by the company to Shri M P Jhunjunwala.

These facilities will not be considered as perquisites.

OTHER BENEFITS

LEAVE

Shri M P Jhunjunwala will be entitled to leave on full pay and allowances as per the Rules of the Company, but not exceeding one month’s leave for every eleven month’s of service. Encashment of leave at the end of the tenure will not be considered as perquisite.

SITTING FEES

Shri M P Jhunjunwala will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.

Shri M P Jhunjunwala will be reimbursed the entertainment and other expenses actually incurred for the business of the company subject to such limits as may be fixed by the Board from time to time.

Shri M P Jhunjunwala and his son Shri Vikram Jhunjunwala may be considered to be concerned or interested in the above resolution. None of the other directors is concerned or interested in the resolution.

The Board recommends the resolution set forth in item 5 for the approval of the members.

By Order of the Board

Kolkata

Dated : 31st May 2007

Sumit Modi

Company Secretary



DIRECTORS' REPORT

To the Members,

We are happy to present our report on the business and operations of the Company for the year ended 31st March 2007.

Financial Results

Year ended March 31	In Rs. lacs, except per share data	
	2007	2006
Sales	11871	9678
Profit before Interest, Depreciation and Impairment of Assets	550	522
Interest	95	101
Profit before Depreciation	455	421
Depreciation and Impairment of Assets	75	83
Net Profit	380	338
Payment against Settlement of Right Of Recompense	103	—
Provision for Taxation	60	(241)
Profit after Tax	217	579
Previous Year Adjustments	—	1
Profit/(Loss) brought forward	293	(287)
Balance of Profit carried to Balance Sheet	510	293

Dividend

The Company has earned a Profit before Tax of Rs.380 lacs for the year. Out of this, a significant sum of Rs.103 lacs has been used for payment for settlement of the 'Right of Recompense'. The Company has significant expansion plans, and needs to preserve its resources for the same. We are, therefore, unable to recommend any dividend for the year under review.

Directors

During the year Mr P K Sengupta retired from the Board. Mr Sengupta was associated with the company since its inception, first as a technical consultant in which capacity he had the primary responsibility to design and implement the project, and subsequently as a director. He actively participated in the deliberations of the Board and we benefited immensely from his insights. We place on record our deep appreciation for the valuable services rendered by Sri P K Sengupta during his tenure on the Board.

Mr R N Das and Mr M G Todi, retires from directorship of the Company by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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, 2007 and of the profit or loss of the Company for the year ended on that date;
- 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;
- that the annual accounts have been prepared on a going concern basis.

Auditors / Auditors' Report

The auditors, M/s. Khetawat & Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed.

Cost Auditors

As per the directive of Central Government pursuant to the provisions of Section 233B of the Companies Act, 1956, 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, 2007.

BIFR status

The company's networth had turned positive as on 31.3.2006 and accordingly the Company was discharged from the purview of Board for Industrial and Financial Reconstruction vide its Order No. 17(2)/60/R-III/BIFR/ Mon-3/2003 dated 18.07.2006.

Public Deposits

The Company did not invite or accept any deposit from the public under Section 58A of the Companies Act, 1956.

Particulars as per Section 217 of the Companies Act, 1956

The company had no employee of the category indicated under Section 217(2A) of the Companies Act, 1956. The additional information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1) (e) of the Companies Act, 1956 is set out in a separate statement, attached to this report.

Corporate Governance

Your company has complied with the Corporate Governance code prescribed by the Stock Exchanges. A detailed report on corporate Governance along with Auditors' Certificate on compliance with the mandatory recommendations on Corporate Governance is annexed to this report.

Acknowledgment

We would like to take this opportunity to place on record our sincere appreciation for the total commitment, dedication and hard work put in by every member of Century family.

We wish to express our deep sense of gratitude to our customers, vendors, investors and bankers for their continued support during the year.

We also 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.

For and on behalf of
the Board of Directors

M P Jhunjhunwala
Chairman & Managing Director

Kolkata
Dated: 31st May 2007



ANNEXURE TO DIRECTOR'S REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS' REPORT) RULES, 1988.

A. CONSERVATION OF ENERGY:

- a) Energy Conservation measures taken:
Heating element and refractory lining of homogenizing furnace no. 2 have been revamped. Following the revamp the power consumption has gone down by 60 units/MT of homogenized log.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
Variable frequency drive was installed in a bull-block in the month of Jan. '07. It is proposed to replace motor starters of remaining three units.
- c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:
- i) Reduction in the energy cost of homogenization of billets.
 - ii) Saving in the consumption of electrical switchgear.
- d) Total energy consumption and energy consumption per unit of production:-
Information is given in prescribed Form-A annexed. The summary is given hereunder:

	Furnace Oil LTR/MT of logs produced	Electrical Energy KWH/MT of extrusions produced
2006-2007	119	1243
2005-2006	131	1119

B. TECHNOLOGY ABSORPTION:

Information is given in Form - B annexed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports: initiatives taken to increase exports, development of new export markets for products and services, and export plans.
The Company has not achieved much success in its efforts to enter the export market.
- b) Total foreign exchange used and earned:

	Current Year (Rs. in lacs)	Previous year (Rs. in lacs)
Used	175.55	181.66
Earned	Nil	Nil

FORM - A

See Rule 2

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

	Current Year 06 - 07	Previous Year 05 - 06
1. Electricity		
(a) Purchased		
Units - KWH in thousands	8138	7580
Total amount - Rs. in thousands	30757	28377
Average Rate (Rs./KWH)	3.78	3.74
(b) Own generation through Diesel Generator		
Units - KWH in thousands	24	7
Units/Ltr. of Diesel	2.40	2.34
Diesel cost/Unit generated (Rs.)	14.53	13.39
2. Coal (consumed in metal recovery unit)		
Quantity in M.T.	18.01	37.08
Total cost (Rs. in thousands)	73	131
Average Rate (Rs/MT)	4028	3522
3. Furnace Oil		
Qty. in Kilo Litres	782	658
Total cost (Rs. in thousands)	13622	9790
Average Rate (Rs/Ltr)	17.42	14.88
4. Others	Nil	Nil
B. Consumption per unit of production		
Electricity (KWH/MT of extrusions produced)	1243	1119
Coal (Kg/MT of extrusions produced)	5	5
Furnace Oil (Ltr./MT of logs produced)	119	131

FORM - B

(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION

A. RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D carried out by the Company: None
2. Benefits derived as a result of the above R&D: None
3. Future plan of action: None
4. Expenditure on R&D: Not Significant (Previous Year - Not Significant)

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION None

For and on behalf of
the Board of Directors

M P Jhunjunwala

Chairman & Managing Director

Kolkata

Dated: 31st May 2007



REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and on the practices as followed by the Company :

1. Company's Governance Philosophy

Your Company firmly believes in and continues to practice good Corporate Governance. Over the years, your company has complied with the broad principles of Corporate Governance through a strong emphasis on transparency, empowerment, accountability and integrity.

2. Board of Directors

The Board of Directors comprises a Chairman and Managing Director and 4 non-executive Directors.

During the year, 4 Board Meetings were held on 31.5.2006, 21.7.2006, 27.10.2006 and 31.1.2007.

The composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting as also number of other directorships / memberships of committees are as follows :

Name of the Director	Designation	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside Directorships held		No. of outside Committees	
					Public	Private	Member	Chairman
Mr M P Jhunjhunwala	Chairman & Managing Director	Executive & Promoter	4	Yes	2	1	-	-
Mr V Jhunjhunwala	Director	Non-Executive & Promoter	1	No	3	-	-	-
Mr P K Sengupta (retired w.e.f. 21.7.2006)	Director	Non-Executive & Independent	1	Yes	-	1	-	-
Mr R N Das	Director	Non-Executive & Independent	4	Yes	-	-	-	-
Mr M G Todi	Director	Non-Executive & Independent	4	Yes	6	8	1	1
Mr V K Mushran	Director	Non-Executive & Independent	4	Yes	-	-	-	-

3. Directors' Interest in the Company & Remuneration:

The details of remuneration and sitting fees paid to the directors of the Company for the financial year 2006-07 are given below:

Name of the Director	Relationship with other Directors	Salaries & Perquisites	Sitting Fees for Board and Committee Meetings
Mr M P Jhunjhunwala	Father of Mr V Jhunjhunwala	16.44	-
Mr V Jhunjhunwala	Son of Mr M P Jhunjhunwala	-	0.25
Mr P K Sengupta	-	-	0.05
Mr R N Das	-	-	0.27
Mr M G Todi	-	-	0.52
Mr V K Mushran	-	-	0.27

4. **CODE OF ETHICS AND BUSINESS CONDUCT**

The Company has adopted a Code of Ethics and Business Conduct applicable to all its directors, officers and employees, a copy of which is available on the company's website www.centuryextrusions.com. The Managing Director hereby affirms compliance of the same.

5. **RE- APPOINTMENT OF DIRECTORS:**

Additional information on directors seeking re-appointment at the Annual General Meeting.

Mr R N Das

Mr R N Das has taken a masters degree in Political Science and has held various posts in orissa government. At the time of his retirement from Orissa Government Service, he was serving as the chief secretary to the Government of Orissa.

Companies in which Mr R N Das holds directorship and committee memberships : Nil
Shareholding in the Company : Nil

Mr M G Todi

Mr M G Todi is the founder and the Chairman of Coastal Roadways Ltd. Mr Todi has taken his Masters degree in Commerce, has done LLB and is also a fellow member of the Institute of Chartered Accountants of India.

Companies in which Mr M G Todi holds directorship and committee memberships

Name of the company and nature of interest

Coastal Roadways Ltd	:	Chairman and Director, Member - Audit Committee Chairman - Investor Grievance Committee
Coastal Industrial Finance Ltd	:	Chairman and Director
Todi Sons Ltd	:	Chairman and Director
CRL Logistic Ltd	:	Chairman and Director
Todi Services Ltd	:	Chairman and Director
Khaitan Electricals Ltd	:	Director
Todi Projects (P) Ltd	:	Director
Coastal Properties (P) Ltd	:	Director
Coastal Agro – Tech (India) Pvt Ltd	:	Director
Shri Salasar Finance (P) Ltd	:	Director
Alfa Aluminium (P) Ltd	:	Director
Volex Estates (P) Ltd	:	Director
Towerbase Services (P) Ltd	:	Director
Snuk Housing & Holdings (P) Ltd	:	Director
Shareholding in the Company	:	Nil

6. **Audit Committee:**

Upon cessation of Mr. P K Sengupta from the directorship of the company by virtue of retirement w.e.f. 21st July, 2006 the Company had re-constituted the Audit Committee on July 21st, 2006. The committee is presently comprising of 4 Directors and the Chairman is an independent non-executive director:

Mr. M G Todi	Non – Executive Independent director
Mr. R N Das	Non – Executive Independent director
Mr. V K Mushran	Non – Executive Independent director
Mr. V Jhunjhunwala	Non – Executive Director and Promoter

The committee held four meetings during the year 2006-07.



Constitution of Audit Committee as on March 31, 2007 and related information:

Name of Director	Category	No. of meetings attended
Mr M G Todi	Chairman Non-Executive, Independent	4
Mr R N Das	Non-Executive, Independent	4
Mr V K Mushran	Non-Executive, Independent	4
Mr V Jhunjhunwala	Non-Executive	1
Mr P K Sengupta (retired w.e.f. 21.7.2006)	Non-Executive, Independent	1

The broad functions of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and the Listing Agreement.

7. Compensation Committee

Upon cessation of Mr. P K Segupta from the directorship of the company by virtue of retirement w.e.f. 21st July 2006 the Company had re-constituted the Remuneration Committee on 21st July 2006. Further, the name of Remuneration committee was changed to Compensation committee. The committee is presently comprising of 4 Directors and the Chairman is an independent non-executive director:

Mr. M G Todi, Chairman
Mr. R N Das
Mr. V K Mushran
Mr. V Jhunjhunwala

The committee is empowered to discuss and submit its recommendation to the Board in respect of the remuneration packages for Executive Director and Managing Director. Mr. M G Todi is the Chairman of the Committee.

The committee held two meetings during the year 2006-07.

Details of Remuneration of Chairman & Managing Director for the year 2006-07:

	Rs. lacs
Salary	12.00
Perquisites	3.00
Contribution to Provident Fund	1.44
Total	16.44

The Company does not pay any remuneration except sitting fee to the non-executive directors.

8. Share Transfer and Shareholders' / Investors' Grievances Committee :

Upon cessation of Mr. P K Sengupta from the directorship of the company by virtue of retirement w.e.f. 21st July 2006 the Company had re-constituted the Share Transfer and Shareholders' / Investors' Grievances Committee on 21st July 2006. The committee presently comprises of 5 Directors and the Chairman is an independent non-executive director:

Mr. M G Todi, Chairman
Mr. R N Das
Mr. V K Mushran
Mr. V Jhunjhunwala
Mr. M P Jhunjhunwala

Mr. Sumit Modi, Company Secretary is the Compliance Officer.

M/s. MCS Limited is the Registrar and Share Transfer Agent. The Company received 15 complaints during the year all of which were duly resolved. There was no share transfer pending as on March 31, 2007. All complaints received from the shareholders during the year 2006 – 07 were redressed and resolved within 30 days from the respective date of receipt.

9. General Body Meetings :

The time and location where the General Body Meetings were held during last three years:

Type	Location	Date	Time	Special Resolution
AGM	Bharatiya Bhasha Parishad (Sitaram Sekseria Auditorium) 36A, Shakespeare Sarani Kolkata – 700 017	20.08.2004	11.00 AM	Yes
AGM	Gorky Sadan Gorky Terrace Kolkata – 700017	26.08.2005	11.00 AM	Yes
AGM	Gyan Manch 11 Pretoria Street Kolkata - 700017	21.07.2006	11.00 AM	No

Postal ballot for Employee Stock options :

A Special Resolution was passed by Postal Ballot for offering and issuing shares under an Employee Stock Option Scheme in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with Section 81 (1A) of the Companies Act, 1956 and the following result of Postal ballot was declared on 12th April 2007 by the Chairman.

Number of valid Postal Ballot forms received	539
Total number of Valid Votes	3,02,23,568
Votes in favour of the resolution	2,98,54,936 (98.78% of total valid votes) (63.52% of total paid up shares)
Votes against the resolution	3,68,632 (1.22% of total valid votes) (0.78% of total paid up share capital)
Number of invalid Postal Ballot forms received	32

Mr. Vinod Kumar Kothari, Company Secretary in practice, was appointed as the Scrutinizer for conducting the Postal Ballot voting process.

Postal ballot for Alteration of Object Clause of the Memorandum of Association:

The company intends to enter into new gamut of business activities relating to Pile Weather Stripping Products and Weather Seal Products, Power transmission and telecommunication, Non-ferrous Welding Filler Rods and Wires and Cast and forged product. For this purpose it is necessary to alter the Main Objects Clause of the Memorandum of Association of the Company by seeking the permission of the shareholders during the FY 2007-08 by way of passing of special resolution. Pursuant to the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, the said consent of the shareholders by way of special resolution has to be obtained by way of sending postal ballots to the shareholders.

Procedure for Postal ballot

For passing the resolution by Postal ballot, notice alongwith Postal Ballot Form and self addressed pre-paid business reply envelope shall be dispatched to the shareholders. On receiving the Postal Ballot form the shareholders need to complete the same and send it in the self addressed pre-paid business reply envelope so as to reach the Scrutiniser on or before the appointed date. On receiving the Postal Ballot Forms the Scrutinizer shall scrutinize the ballots and reject any invalid forms. The scrutinizer would submit his report to the Chairman or any other authorized person. The result of Postal Ballot shall be declared by the Chairman or any other authorized person. The detailed instructions for the Postal ballot Process shall be printed in the Postal ballot Form.



10. **Disclosures :**

Related Party transactions

The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Schedule 17). There were no material transactions during the year 2006 – 2007, which were prejudicial to the interest of the Company.

Statutory compliance, Penalties and Strictures

The Registrar of Companies pointed out certain procedural lapses on part of the company in connection with compliance of Sec 297 & 147 of the Companies Act, 1956 during 2005-06 and advised compounding of offence. The company duly rectified the lapse and the offences were compounded on payment of fine of Rs 7000/-.

Apart from the abovementioned, the Company complied with the requirements of the Stock Exchanges/SEBI/Statutory Authorities on all matters related to the capital market during the last three years. There were no other penalties or strictures imposed by the Stock Exchanges, the SEBI or any Statutory authority relating to above.

11. **Means of Communication :**

The quarterly, half-yearly and annual financial results of the Company are forwarded to the Calcutta, Mumbai and National Stock Exchanges, published in one English and one Bengali Newspaper and are also available at the website www.centuryextrusions.com.

12. **Shareholder Information :**

Annual General Meeting

Date : Friday, 27th July 2007.

Time : 10:30 AM

Venue : Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata – 700017.

Financial Calendar : April to March

Publication of results for the Financial Year 2007-08

First Quarter results	: Before 31 st July, 2007
Second Quarter and half- yearly results	: Before 31 st October, 2007
Third Quarter results	: Before 31 st January, 2008
Fourth Quarter results and results for the year ending on 31.03.2008	: During May / June, 2008

Book Closure:

From : 24th July 2007 to 27th July 2007.

Listing on Stock Exchanges and Stock code:

The Equity shares of the Company are listed on the following Stock Exchanges:

Name of the Stock Exchange	Address	Code No
The Stock Exchange, Mumbai	P.J.Towers, Dalal Street , Mumbai-400001	500083
National Stock Exchange of India Ltd	Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai-400 051	CENTEXT EQ

ISIN Number for shares in Electronic form is INE281A01026 .

The Company had applied for voluntary delisting of Equity Shares from Calcutta Stock exchange (CSE) on 26.11.2004 and has subsequently followed up with reminders and personal visits but the matter is still pending at their end. The company did not apply for listing of 3.50 crore Equity Shares issued pursuant to Rights Issue with CSE as the Rights Issue was made subsequent to making application for delisting.

Annual Listing fees have been paid to the Stock Exchange, Mumbai and the National Stock Exchange for the financial year 2006-2007.

Market Price Data:

Monthly high and low quotation of shares traded on the National Stock Exchange of India Ltd. (NSE) and The Stock Exchange, Mumbai (BSE) for the year 2006-2007 :

Month	NSE (Rs)		BSE (Rs)	
	High	Low	High	Low
April	3.80	2.85	3.79	2.85
May	5.90	2.55	5.89	2.81
June	4.65	2.60	4.73	2.64
July	3.40	2.50	3.70	2.50
August	3.40	2.80	3.50	2.45
September	3.30	2.40	3.38	2.38
October	4.30	2.95	4.25	2.75
November	3.25	2.80	3.50	2.81
December	3.30	2.70	3.27	2.68
January	4.65	2.90	4.63	2.83
February	4.40	3.10	4.40	3.08
March	3.45	2.80	3.40	2.63

Registrar & Share Transfer Agent

MCS Limited

77/2A, Hazra Road, Kolkata – 700 029

Ph : 2454 1892/3, Fax : 2454-1961/2474-7674

Email : mscscal@cal2.vsnl.net.in

Distribution of Shareholding as on 31.03.2007

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shareholding
Upto 500	8090	65.51	1536294	3.27
501 to 1000	1773	14.35	1463147	3.11
1001 to 2000	1019	8.25	1583722	3.37
2001 to 3000	422	3.42	1095230	2.33
3001 to 4000	184	1.49	681046	1.45
4001 to 5000	244	1.98	1179417	2.51
5001 to 10000	327	2.65	2433510	5.18
10001 to 50000	239	1.94	4872242	10.37
50001 to 100000	26	0.21	1819007	3.87
100001 and above	25	0.20	30336385	64.54
Total	12349	100.00	47000000	100.00

Categories of Shareholders as on 31st March 2007

Category	No. of Shares held	% to paid-up Capital
a. Promoters, Relatives and Associates	23443253	49.88
b. Financial & Investment Institutions	192700	0.41
c. Mutual Funds	2800	0.01
d. Non-Resident Individuals	54749	0.12
e. Bodies Corporate [other than covered in (a) & (b) above]	6147809	13.08
f. Indian Public	17158689	36.50
g. Others	—	—
Total	47000000	100.00



Dematerialization of Shares and Liquidity:

Trading in the Company's shares is permitted only in dematerialised form for all investors. The Company has established connectivity with National Securities Depository Limited and Central Depository Services (India) Limited through the Registrars, MCS Limited, whereby the investors have the option to dematerialize.

Status of Dematerialisation as on March 31, 2007:

Particulars	No. of Shares	Percentage of total Capital	Number of Accounts
National Securities Depository Limited	41952806	89.26	5164
Central Depository Services (India) Limited	3590214	7.64	1517
Total Dematerialized	45543020	96.90	6681
Physical	1456980	3.10	5668
Grand Total	47000000	100.00	12349

Secretarial Audit for Reconciliation of Capital :

As stipulated by SEBI, a qualified practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the company's shares are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

Plant Location:

Century Extrusions Limited
WBIIDC Industrial Growth Centre,
Nimpura , Kharagpur,
Dist-Midnapore (West Bengal)

Share Transfer System:

Shares are transferred at the meeting of the "Share Transfer and Shareholders' / Investors' Grievance Committee" of the Directors which meets at frequent intervals.

Address for Correspondence:

Investors' correspondence may be addressed to
Century Extrusions Ltd.,
113, Park Street,
'N' Block, 2nd Floor,
Kolkata-700 016.
Phone Nos. + 91 33 2229-1291/1012
Fax No. + 91 33-22261110
e-mail: century@centuryextrusions.com
Email ID for Investor Complaint : investors@centuryextrusions.com

or

MCS Limited
77/2A, Hazra Road
Kolkata – 700 029
Phone Nos : + 91 33 2454-1892/3
Fax No. : + 91 33 2454-1961/2474-7674
Email : mscal@cal2.vsnl.net.in

Industry Structure and Developments

The aluminium extrusions industry in India constitutes of two segments – Primary Metal Producers and Secondary Extrusion Manufacturers. The primary producers produce alumina, aluminium metal and also the further value added products such as rolled products, extrusions etc. There are four primary aluminium metal producers in India, viz. National Aluminium Co. Ltd. (NALCO), Hindalco Industries Ltd. (HINDALCO), Bharat Aluminium Co. Ltd. (BALCO) and Madras Aluminium Co. Ltd. (MALCO). Of the primary aluminium metal producers, only HINDALCO manufactures Aluminium Extrusions.

The Secondary Aluminium Extrusion Manufacturers buy aluminium metal from primary producers or alternatively import metal and manufacture extrusions. Your Company is one of the important secondary aluminium extrusion manufacturers in the country.

The metal has application advantages given its high strength to weight ratio. The metal is completely recyclable and thus most environment friendly. With advancement of technology, aluminium and its products are finding newer applications and have a very promising future.

Marketing

Aluminium extruded products are used in **architectural applications** such as profiles for Building Systems, Structural Glazing, Curtain Walls, Aluminium Rolling Shutters, Windows, Doors, Partitions, False Ceiling, Tower Bolts, Door Handles, Drapery Rods etc., profiles for **manufacture of automobile components**, profiles for **Heat Sinks for heat transfer in electronic and electrical equipments**, profiles for **transport sections, irrigation tubes**, Profiles for **Electrical applications** such as Tubes and Flats for Bus Bars, P. G. Clamps, Repair Sleeves, Ferrules, etc., profiles for **Engineering applications** such as Motor Housings, Pump Casings, Ferrules etc., profiles for **Rail Coach Windows and doors**, profiles for various **defence applications** and many more.

The aluminium extrusion market in the country can be divided into two segments, viz. End-use Customer Segment and Trade Segment. The trade segment mainly deals in profiles used for Architectural, Transport and Electrical applications. The price realization in the End-use customer segment is stable, but is volatile in the trade segment.

The company has been focusing on supplies to end use customers, where the competition is limited and the margins are better. The proportion of our supplies to End-use Customers has continuously increased over last few years and currently stands at 85%. The company has been enjoying an excellent order book, but is not able to capitalize due to capacity limitation.

During the year, the demand for extrusions was buoyant. With expected economic growth, very large capacities are being put up to manufacture primary metal, which is expected to lead to a significant growth for extrusions industry in India.

Opportunities

The Indian economy is experiencing high growth, which is expected to continue over next few years. The economy had grown by an impressive 9% during 2005 – 06 and an even higher growth rate of 9.4% during 2006 – 07. With all sectors of economy, including manufacturing sectors, recording robust growth rates, the Government is now targeting a sustained growth of over 9% for the future.

This definitely augurs well for the Aluminium Extrusions Industry, whose biggest customer segment is **Architectural applications**. The **Construction** sector is doing very well with many new areas of construction coming up like retail chains, shopping malls, Information Technology parks and other commercial property developments with very high consumption of Aluminium Extrusions.

The Architectural segment accounts for nearly 50% of the entire consumption of extrusions in India. Until not very long ago, the realizations from architectural segment, where maximum quantity of material was sold through trade, was not very attractive as the building construction industry had been unorganized and fragmented and there had been some indifference towards quality of extrusions used in construction. However, with entry of large and reputed property developers with focus on quality, firstly the demand from the architectural segment is growing and is expected to continue growing at double digit growth rate and secondly, the quality conscious extrusions manufacturers like your company would have a distinct edge.

The Company's share in Architectural Segment was comparatively small till now. With the change in building construction industry as narrated above, the company would significantly increase its share as and when the additional capacity comes into operation.

Aluminium extruded products are further processed to manufacture value added products in different fields of applications. In past few years, we have added a number of value added products such as:

- | Drawn Wires and Rods for supply in coil form, e.g. Armour Rods
- | Drawn Rods cut to length for use in Automats to enhance plant productivity
- | Cold drawn and reeled (straightened) Rods and Hexagonal Bars
- | Drawn Hexagonal Bars cut to length for use in automats to enhance plant productivity



- | Motor housing, Pump casings, Heat sinks, Ferrules etc. in ready to use lengths
- | Welding filler wire in spools for MIG welding and in cut-to-lengths for TIG welding

We propose to increase the share of value added products and introduce new value added products in the current financial year, where the company gets better margins.

Risks and Areas of Concern

We have been operating at almost full capacity utilization with the available infrastructure for past three years. The production and sale in quantity terms could not grow due to change in product-mix with increase of harder alloy products and limitation of available capacity. The fixed costs are continuously increasing. We need to quickly expand our capacity and simultaneously increase the share of value added products to maintain and to improve our profitability.

We could not consider making capital investment over last few years due to our financial limitations. The scenario has now significantly improved and the Company intends to make sizeable capital investment to expand its capacity and to install modern equipment to improve its efficiencies.

Outlook

The market for extrusions in India has shown a good growth over last three years, and is continuing to grow at a robust pace. We expect the growth to continue at very good rate in coming years, as presently the level of usage of extrusions in India is very low.

The demand supply scenario in the country is evenly matched at present. While there is some surplus availability of the products normally sold through the trade, the demand in end-use segment is higher than the available indigenous supply. The reason for this mismatch is that not many extrusion producers are equipped to meet the stringent requirements of the end-use customer segment. We foresee a good growth in demand for extruded products in all the segments over next few years.

The company is quite optimistic of continuous improvement in its operations in the years ahead.

Internal Control System and their adequacy

The Company has an adequate internal control system to ensure proper and efficient use of the Company's resources, their protection against any unauthorised use, accuracy in financial reporting and due compliance of the Company's policies and procedures as well as the Statutes. The internal audit is carried out by an independent firm of Chartered Accountants on regular basis, and corrective actions are taken where 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.

Operations

The company has continued with its policy to concentrate on direct sale to end-use customers. The share of sale to end-use customers increased from 75% in 2005-06 to 85% in the year under review. Sales revenue increased to 11870 lacs from Rs.9678 lacs in the previous year. The company manufactured and sold 6410 MT of extrusions against 6617MT in the previous year. The slight decrease in production quantity is due to change in the product-mix. The company has excellent order book position and is operating at full capacity utilization.

The operating profit for the year was slightly higher at Rs. 550 Lacs as against Rs. 522 Lacs in the previous year.

The company proposes to increase its installed capacity by putting up a third Extrusion Press, the technical specifications of which are presently being drawn. The Company expects to bring the enhanced capacity in operation before end of the financial year 2008 – 09.

Finance

The Company's finances are almost evenly matched with the internal accruals being utilized to finance the additional working capital requirement on increase of raw material cost by almost 30% for the year under review over the previous financial year.

The Company is in process of finalizing the cost of expansion project, where upon it would explore different avenues for raising finance for the project cost.

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.

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members of
Century Extrusions Limited

We have reviewed the compliance of conditions of Corporate Governance by the Century Extrusions Limited for the year ended 31st March, 2007, as stipulated in clause 49 of the listing agreement of the Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We certify that the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with Stock Exchanges have been complied with in all respects by the Company.

**For KHETAWAT & ASSOCIATES
Chartered Accountants**

**Kolkata
Dated : 31st day of May 2007**

**A.K.Khetawat
Partner
Membership No. 052751**



CEO AND CFO CERTIFICATION

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

We, M P Jhunjhunwala, Chairman and Managing Director and Kailash Baheti, Chief Executive Officer and Chief Financial Officer of Century Extrusions Ltd. to the best of our knowledge and belief, certify that:

1. We have reviewed financial statements and cash flow statement for the year;
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
3. Based on our knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the company's affairs, and are in compliance with the existing accounting standards and / or applicable laws and regulations;
4. To the best of our knowledge and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the company's code of conduct;
5. We are responsible for establishing and maintaining internal controls, and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors:
 - a) significant changes in internal controls during the year;
 - b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal controls system.

M P Jhunjhunwala

Chairman & Managing Director

Kailash Baheti

Chief Executive Officer &
Chief Financial Officer

Place: Kolkata

Date : May 31, 2007

To The Members,

We have audited the attached Balance Sheet of **CENTURY EXTRUSIONS LIMITED** as at 31st March, 2007 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standard generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the Financial Statements are prepared free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - 2.1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - 2.2. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - 2.3. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of the account.
 - 2.4. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standard referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable.
 - 2.5. On the basis of written representations received from the directors, as on 31st March, 2007 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2007 from being appointed as Director in terms of section 274(1)(g) of the Companies Act, 1956.
 - 2.6. In our opinion and to the best of our information and according to explanations given to us the said account, give the information required by the Companies Act, 1956 in the manner so required and read together with other notes given thereon, gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet of the state of the Company's affairs as at 31st March, 2007;
 - ii) in the case of Profit & Loss Account of the Profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

For KHETAWAT & ASSOCIATES

Chartered Accountants

Kolkata

Dated : 31st day of May, 2007

(A.K.Khetawat)

Partner

Membership No. 052751



ANNEXURE TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our report of even date)

- 1)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The management has physically verified its fixed assets at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.
 - (c) In our opinion, the Company has not disposed off the substantial part of fixed assets during the year, which would affect the going concern status of the Company.
- 2)
 - (a) The inventories have been physically verified by the management during the year at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification were not material.
- 3)
 - (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not granted any loans secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (b), (c) and (d) of the Order, are not applicable.
 - (b) The company has not taken any loans, secured or unsecured from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. As the company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(f), and (g) of the Order, are not applicable.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal controls.
- 5)
 - (a) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) During the year, the Company has not accepted any deposits from the public as defined under sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder.
- 7) In our opinion the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Company has maintained the cost records as prescribed by the Central Government under section 209(1)(d) of the Act.
- 9)
 - (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it except for few cases where there was delay in depositing of Employees State Insurance Contribution with the appropriate authorities. According to information and explanations given to us, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2007 for a period of more than six months from the date they became payable.
 - (b) The disputed statutory dues aggregating Rs.28.52 lakhs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Statute	Nature of Dues	Amount (in INR)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	State Sales Tax	0.71Lakhs	1995-1996 & 1997-1998	West Bengal Commercial Appellate & Revisional Board, Kolkata
		9.21Lakhs	2003-2004	Deputy Commissioner of Commercial Tax
Central Sales Tax Act, 1956	Central Sales Tax	5.73Lakhs	1996-1997 & 1997-1998	West Bengal Commercial Appellate & Revisional Board, Kolkata
		12.87Lakhs	2003-2004	Deputy Commissioner of Commercial Tax

- 10) The company has no accumulated losses at the end of financial year nor it has incurred cash losses during the financial year under review and in immediately preceding financial year.
- 11) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the company has not defaulted in repayments of dues to financial institutions or banks or debenture holders.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/ mutual benefit fund or society. Therefore clause 4(xiii) of the order is not applicable to the Company.
- 14) In our opinion and according to information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16) During the year, the Company has taken term loans, which have been applied for the purposes for which they were raised.
- 17) According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we are of the opinion that the Company has not utilized Short Term Funds towards Long Term Investments.
- 18) During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Act.
- 19) During the year, the Company has neither issued any debentures nor it has any outstanding debentures.
- 20) In our opinion, the management has disclosed the end use of money raised by Public Issue of Equity Shares and the same has been verified.
- 21) In our opinion and according to information and explanations given to us, during the year, no fraud on or by the Company has been noticed or reported.

For KHETAWAT & ASSOCIATES

Chartered Accountants

(A K Khetawat)

Partner

Membership No. 052751

Kolkata

Dated : 31st day of May, 2007



BALANCE SHEET

(Rs. ' 000)
As at 31st March

	Schedule	2007	2006
SOURCES OF FUNDS			
<i>Shareholder's Fund</i>			
Share Capital	1	47000	47000
Reserve & Surplus	2	51051	29283
<i>Loan Funds</i>			
Secured Loans	3	98162	83288
Unsecured Loans	4	34068	36966
Total		230281	196537
APPLICATION OF FUNDS			
<i>Fixed Assets</i>			
Gross Block	5	215050	208798
Less : Depreciation		144429	136352
Net Block		70621	72446
Capital Work-in-Progress		24	1156
		70645	73602
<i>Deferred Tax Assets</i>	6	24163	26726
<i>Current Assets, Loans & Advances</i>			
Inventories	7	86869	112542
Sundry Debtors	8	111547	74858
Cash & Bank Balances	9	13944	10693
Loans & Advances	10	39980	30094
		252340	228187
<i>Less : Current Liabilities & Provisions</i>			
Current Liabilities	11	108107	124558
Provisions	12	8760	7420
		116867	131978
<i>Net Current Assets</i>		135473	96209
Total		230281	196537
Accounting Policies and Notes on Accounts	17		

The Schedules referred to above form part of the Accounts

As per our report of even date attached
for KHETAWAT & ASSOCIATES
Chartered Accountants

A K Khetawat
Partner
Membership No. 052751

Kolkata
Dated : 31st day of May, 2007

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M G Todi
R N Das
V K Mushran
Directors

PROFIT & LOSS ACCOUNT



(Rs. '000)

For the year ended 31st March

	Schedule	2007	2006
INCOME			
Sales	13	1187086	967773
Less : Excise Duty		161384	132823
Net Sales		1025702	834950
Increase / (Decrease) in Stock	14	(18460)	47168
Other Income	15	3719	1579
Impairment of Assets Written Back		2062	1525
		<u>1013023</u>	<u>885222</u>
EXPENDITURE			
Cost of Materials Consumed		807099	704150
Manufacturing, Selling & Administrative Expenses	16	148903	126148
Interest		9475	10068
Depreciation		9538	9780
Right Issue Expenditure Written Off		—	1260
Investment Written Off		—	1
		<u>975015</u>	<u>851407</u>
PROFIT FOR THE YEAR		38008	33815
Prior Period Adjustment		—	125
Payment against Settlement of Right of Recompense		(10275)	—
PROFIT BEFORE TAX		27733	33940
Excess Provision of Income Tax Written Back		15	—
Provision for Taxation :			
Fringe Benefit Tax		(317)	(720)
Income Tax		(3100)	(1957)
Deferred Taxes		(2563)	26726
PROFIT AFTER TAX		21768	57989
PROFIT/(LOSS) BROUGHT FORWARD		29283	(28706)
BALANCE IN PROFIT AND LOSS ACCOUNT		51051	<u>29283</u>
Basic and Diluted Earning Per Share Rs.		0.46	2.27
Face Value of Equity Share Rs.		1.00	1.00

Accounting Policies and Notes on Accounts 17
The Schedules referred to above form part of the Accounts

As per our report of even date attached
for KHETAWAT & ASSOCIATES
Chartered Accountants

A K Khetawat
Partner
Membership No. 052751

Kolkata
Dated : 31st day of May, 2007

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M G Todi
R N Das
V K Mushran
Directors



CASH FLOW STATEMENT

		(Rs.'000)	
		For the year ended 31st March	
		2007	2006
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items:		38008	33815
Adjustment :- for Depreciation	9538		9780
for Investment written off	—		1
for Provision for Impairment of Assets	(2062)		(1525)
for Adjustment of Deferred Tax	(2563)		26726
for Provision for Taxation	(3417)	1496	<u>(2677)</u>
(Profit)/Loss on sale of fixed assets		262	(507)
Interest Paid	9475		10068
Less : Interest Received	(896)		<u>(714)</u>
		8579	9354
Operating Profit before working capital changes		48345	74967
Adjustment for : Trade and other receivables	(46575)		(19689)
Inventories	25673		(44943)
Trade payables	(16451)		32601
Cash generated from operations		10992	42936
Taxation	3417		2677
Adjustment of Deferred Tax	2563		(26726)
Extraordinary Items	(10275)		125
Net cash from operating activities		6697	<u>19012</u>
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(6943)	(6611)
Sale/Adjustment of fixed assets		100	1343
Interest received		896	714
Net cash used in investing activities		(5947)	<u>(4554)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
Increase in Equity Share Capital		—	35000
Proceeds from long term borrowings		(2511)	(2540)
Proceeds from short term borrowings		14487	(39550)
Interest paid		(9475)	<u>(10068)</u>
Net cash used in financing activities		2501	<u>(17158)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		3251	(2700)
Cash and cash equivalents opening balance:			
Cash and bank balance		10693	13393
Cash and cash equivalents closing balance:			
Cash and bank balance		13944	<u>10693</u>

As per our report of even date attached
for **KHETAWAT & ASSOCIATES**
Chartered Accountants

A K Khetawat
Partner
Membership No. 052751

Kolkata
Dated : 31st day of May, 2007

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M G Todi
R N Das
V K Mushran
Directors

(Rs. ' 000)
As At 31st March

	2007	2006
1. Share Capital		
Authorised		
120,000,000 Equity Shares of Re.1/- each	<u>120000</u>	<u>120000</u>
Issued Subscribed & Paid-up		
47,000,000 Equity Shares of Re. 1/- each	<u>47000</u>	<u>47000</u>
2. Reserve & Surplus		
Profit & Loss Account	<u>51051</u>	<u>29283</u>
3. Secured Loans		
Term Loan from :		
Govt. of West Bengal:		
- Term Loan	50000	50000
- Sales Tax Loan	31400	31400
ICICI Bank	1775	1888
Buyers Credit from :		
Standard Chartered Bank	<u>14987</u>	—
	<u>98162</u>	<u>83288</u>
4. Unsecured Loans		
From Bodies Corporate	—	500
Deferred Sales Tax	34068	36466
	<u>34068</u>	<u>36966</u>

Note : Deferred Sales Tax are interest free and have been received by the Company under the West Bengal Incentive Schemes,1989 and 1993.

5. Fixed Assets

(Rs.'000)

PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Addi- tion	Sale/ Adjust- ment	As at 31.03.07	Up to 31.03.06	For the Year	Sale/ Adjust- ment	Up to 31.03.07	As at 31.03.07	As at 31.03.06
Leasehold Land (inclusive of site Development)	1,492	—	—	1,492	—	—	—	—	1,492	1,492
Buildings	49,036	—	—	49,036	17,718	1,509	—	19,227	29,809	31,318
Plant & Machinery	125,731	6,882	1,380	131,233	99,591	6,134	1,103	104,622	26,611	26,140
Electric Installation	11,502	—	—	11,502	7,397	546	—	7,943	3,559	4,105
Vehicles	4,397	537	115	4,819	853	392	106	1,139	3,680	3,544
Furniture & Fittings	6,278	141	19	6,400	3,922	292	12	4,202	2,198	2,356
Office Equipments	10,362	515	309	10,568	6,871	665	240	7,296	3,272	3,491
TOTAL	208,798	8,075	1,823	215,050	136,352	9,538	1,461	144,429	70,621	72,446
PREVIOUS YEAR	211,761	5,681	8,644	208,798	134,380	9,780	7,808	136,352		
CAPITAL WORK- IN-PROGRESS									24	1,156



SCHEDULES

6.	<i>Deferred Tax</i>		
	Deferred Tax Assets		
	On Unabsorbed Loses & Unabsorbed Depreciation	36464	45795
	On other timing differences	1046	787
		37510	<u>46582</u>
	Deferred Tax Liabilities		
	On other timing differences on Depreciation	13347	19856
		24163	<u>26726</u>
7.	<i>Inventories</i>		
	(as taken, valued and certified by the management)		
	Stock-in-trade		
	Raw Materials	21048	25285
	Work-in-Progress	39858	59579
	Finished Goods	7160	5899
	Stores & Spare Parts	18803	21779
		86869	<u>112542</u>
8.	<i>Sundry Debtors</i>		
	(Unsecured)		
	Debts outstanding for a period exceeding six months		
	- considered good	1775	3335
	- considered doubtful	207	1390
	Other debts		
	- considered good	109772	71523
		111754	<u>76248</u>
	Less : Provision for doubtful debts	207	1390
		111547	<u>74858</u>
9.	<i>Cash & Bank Balances</i>		
	Cash in Hand	590	322
	Balance with scheduled Banks in		
	Current Account	4476	1370
	Cheques in Hand	2418	2541
	Margin Money Accounts	6460	6460
		13944	<u>10693</u>
10.	<i>Loans & Advances</i>		
	(Unsecured, considered good)		
	Deposits	6223	5671
	Advance Payment of Income Tax	6038	2301
	Advances recoverable in cash or in kind or for value to be received	27719	22122
		39980	<u>30094</u>
11.	<i>Current Liabilities</i>		
	Sundry Creditors	77219	97368
	Deposits from Dealers	4217	4415
	Advances against Sales	5327	3173
	Other Liabilities	19164	16803
	Interest accrued but not due	2090	2422
	Investor Education & Protection Fund		
	Unpaid Right Issue Account	90	377
		108107	<u>124558</u>

12.	<i>Provisions</i>		
	Provision for Impairment of Assets	2666	4728
	Provision for Income Tax	5057	1972
	Provision for Fringe Benefit Tax	1037	720
		<u>8760</u>	<u>7420</u>
13.	<i>Sales</i>		
	Sale of Manufactured Goods (Tax Deducted Rs. 57356 , Previous period Rs. 36062)	1187086	967773
		<u>1187086</u>	<u>967773</u>
14.	<i>Increase / (Decrease) in Stock</i>		
	Opening Stock		
	Work in Progress	59579	15389
	Finished Goods	5899	3374
		<u>65478</u>	<u>18763</u>
	Adjustment of Value Added Tax	—	453
		<u>65478</u>	<u>18310</u>
	Closing Stock		
	Work in Progress	39858	59579
	Finished Goods	7160	5899
		<u>47018</u>	<u>65478</u>
	Increase / (Decrease) in Stock	<u>(18460)</u>	<u>47168</u>
15.	<i>Other Income</i>		
	Interest (Gross) (Tax Deducted Rs. 109657, Previous period Rs. 33722)	896	714
	Miscellaneous Income	1801	143
	Liabilities no Longer Payable written back	143	202
	Rent Received	43	13
	Bad Debt Recovered	364	—
	Bad Debt Excess Provision Written Back	472	—
	Profit On Sale/Discard of Fixed Assets (Net)	—	507
		<u>3719</u>	<u>1579</u>
16.	<i>Manufacturing, Selling & Administrative Expenses</i>		
	Stores & Spares Consumed	10760	13539
	Power & Fuel	41455	30883
	Packing Expenses	8958	6954
	Freight & Forwarding Charges	9768	8118
	Salaries & Wages	40172	33143
	Employees Welfare Expenses	1150	1107
	Contribution to Provident Fund & Other Fund	3792	3070
	Rent, Rates & Taxes	3095	2817
	Insurance	1061	949
	Advertisement	108	130
	Repairs & Maintenance		
	Building	372	399
	Machinery	8086	4809
	Others	1010	1665
	Managing Director's Remuneration	1500	1037
	Directors Sitting Fees	136	55
	Bad Debts	129	431
	Less : Provision made earlier	<u>—</u>	<u>—</u>
	Net Bad Debts	129	431
	Miscellaneous Expenses	17089	17042
	Loss on sale/discard of Fixed Assets (Net)	262	—
		<u>148903</u>	<u>126148</u>



NOTES ON ACCOUNTS

17. Accounting Policies and Notes on Accounts

1. Accounting Policies

a. Fixed Assets & Depreciation:

Fixed Assets are valued at cost less accumulated depreciation. Depreciation is provided on Straight Line Method at rates prescribed under schedule XIV to the Companies Act, 1956. Free hold land, Leasehold Land and Site Development Expenses are not depreciated. No amount is written off in respect of Lease Premium & Site Development Expenses for leasehold land since the lease is for a very long period.

b. Inventories:

- Inventories are valued at the lower of the cost and estimated net realizable value. Cost of inventories is computed on FIFO basis.
- Work-in-progress and Finished goods include related manufacturing overheads and costs. Finished goods also include the applicable excise duty.

Proceeds from sale of raw materials / stores, if any, are credited to the respective heads.

c. Dies and Tools:

Expenditure incurred on different heads for manufacture of dies and tools are directly charged to profit and loss account.

d. Sales:

Sales include excise duty whenever applicable.

e. Purchases:

Pending receipt of final invoices, materials purchased are accounted for on the basis of proforma invoice / purchase order / previous purchase rates. Subsequent adjustment is done on receipt of final invoice, wherever necessary.

f. Foreign Currency Expenditure:

Foreign currency expenditure is accounted for at the rates prevailing on the date of remittance. If any outstanding payment/claim is settled before finalization of account, the same is adjusted on the basis of the rate prevailing on the date of payment. In cases involving payments/claims after finalization of accounts, the same are accounted for at prevailing exchange rate at the year end.

g. Retirement Benefit:

- i) Gratuity: The Company contributes to a Gratuity Fund and the Fund has taken a Group Policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The annual premium amount payable is so adjusted as to cover the liability under the Scheme in respect of all employees at the end of their future anticipated service with the Company.
- ii) Leave Encashment: Year-end actuarial liability towards leave encashment benefit payable to employees is recognized as revenue charge in the accounts.

h. Taxation:

Provision for Taxes comprises of Current Tax and Deferred Tax. Deferred Tax Assets are recognized and carried forward to be adjusted against liability on taxable income arising in future, only if there is reasonable certainty that the company would have significant taxable income to realize the benefit of such deferred tax assets. Provision for wealth tax liability, if any, is estimated in accordance with the Wealth Tax Act, 1957 and provided for.

i. Borrowing Costs:

Interest and other borrowing costs directly attributable to the acquisition, construction or installation of qualifying capital assets till the date of commercial use of the assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

j. Impairment of Assets:

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal

/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Provision for impairment is written back in case of sale / discard of impaired assets.

k. **Capital Issue Expenses**

The entire Capital Issue expenses is written off during the year of issue.

2. **Contingent Liabilities not provided in respect of:**

- a. Estimated amount of contracts (net of advance) remaining to be executed on Capital Account and not provided for as on 31st March 2007 is Rs 4.36 lacs (Previous year Rs 1.27 lacs).
- b. Bank Guarantees outstanding Rs 107.25 lacs (previous year Rs.72.20 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 521.85 lacs (Previous year 568.00 lacs) against which Rs 64.60 lacs (previous year Rs.64.60 lacs) have been deposited with the Banks as Margin Money.
- c. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs 22.08 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, and 2003-2004 against which the Company has referred appeals before the higher authorities.
- d. Bills discounted with banks Rs 176.54 lacs (previous year Rs. 180.61 lacs).
- e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.108.81 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.
- f. The Commercial Tax Officer has not allowed input tax credit under West Bengal Value Added Tax Act of Rs.0.51 lacs on account of sales tax paid on opening stock of stores and spares. The Company has preferred a revision application before the Deputy Commissioner, Commercial Taxes.

3. **The Term Loan and Working Capital Facilities are secured as follows:**

- a) Term Loan of Rs.500 lacs from Govt. of West Bengal is secured by first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with non-fund based facility of Rs.652 lacs which the Company has availed from State Bank of India and Allahabad Bank.
- b) Term Loan of Rs.314 lacs from Govt. of West Bengal is secured by way of residuary charge on all the immovable properties and a residuary charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal.
- c) Non-fund based working capital facilities of Rs.652 lacs availed from State Bank of India and Allahabad Bank are secured -
 - i) By first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with Govt. of West Bengal for Term Loan of Rs.500 lacs.
 - ii) By first charge by hypothecation of stocks, book debts and other current assets.
 - iii) By personal guarantees of the Chairman & Managing Director and one other Director of the Company.
- d) Loans from ICICI Bank are secured by hypothecation of vehicles purchased out of the said loan. Rs 6.12 lacs is repayable within next 12 months towards loan amount.
- e) Buyer's Credit from Standard Chartered Bank (Flexi Loan Facility under the Channel Solutions Loan Program) of Rs 150 Lakhs is secured by personal guarantees of the Chairman & Managing Director and one other Director of the Company.



4. **Loans and Advances include:**

- a. Rs 35.00 lacs (previous year Rs.35.00 lacs) being security deposit for office premises made to a private limited company in which a relative of two of the directors is interested as a director.
 - b. Rs 180.69.lacs due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.
5. Sundry Debtors include Rs 4.06 lacs due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.
6. In view of the brought forward losses under Income Tax, the Company is liable to pay only the Minimum Alternate Tax.
7. a. The total dues outstanding to Small Scale Industrial Undertakings as at 31.3.2007, to the extent identified based on the available information, included under Current Liabilities is Rs 4.73lacs (Previous Year 6.12 lacs). There are no dues to Small Scale Industrial Undertakings outstanding exceeding Rs 1.00 lacs and more than 30 days as on 31.3.2007.
- b. None of the suppliers has informed the company of being registered under the Micro, Small and Medium Enterprises Development Act 2006 and therefore there is no information for submission under the said Act.
8. The Company's bankers viz. State bank of India and Allahabad bank had reserved a 'Right Of Recompense' of Rs 243 Lakhs and Rs 169 Lakhs respectively against amounts sacrificed by them as part of 'Rehabilitation Scheme'. During the year, the banks discharged the company from the 'Right of Recompense' upon payment of Rs 61 Lakhs and Rs 42 Lakhs to State Bank of India and Allahabad Bank respectively. This payment has been shown as an extraordinary expenditure in the Profit and Loss Account.

	MT	2006-07 Rs. Lacs	MT	2005-06 Rs. Lacs
9 Licensed & Installed Capacity, Production, Stocks and Turnover:				
Class of Goods - Aluminium Extrusions				
a) Licensed Capacity			since delicensed	
b) Installed Capacity (As certified by Management)	7500		7500	
c) Production				
Aluminium Extrusions (1)	6410		6633	
d) Stocks				
Opening				
Aluminium Extrusions	42	58.99	27	33.74
Closing				
Aluminium Extrusions	42	71.60	42	58.99
e) Turnover				
Aluminium Extrusions (1)	6410	11816.02	6618	9630.91
Others	—	54.83	—	46.82
(1) Includes 109.03 MT valued at Rs 26.51 lacs (previous year 244.271 MT valued at Rs. 37.60 lacs) on account of conversion				
10 Raw Material Consumed				
a) Aluminium Ingots, Billets etc	6019.98	7717.41	7090.11	6957.49
b) Others	254.12	353.58	80.07	84.01

	%	Value Rs. Lacs	%	Value Rs. Lacs
11				
Value of Imported and Indigenous Goods consumed and percentage thereof:				
Raw Material				
Imported	1.63	131.23	2.06	145.39
Indigenous	98.37	7939.76	97.94	6896.11
Stores & Spares (Including value of items consumed for manufacture of dies)				
Imported	36.08	38.82	31.56	42.73
Indigenous	63.92	68.78	68.44	92.66
12				
CIF value of Imports				
Raw material		119.72		136.09
Stores & Spare parts		50.39		44.77
		<u>170.11</u>		<u>180.86</u>
13				
Expenditure in Foreign Currency				
Travel		5.44		0.66
Interest		—		0.14
14				
FOB Value Of Export		<u>3.59</u>		<u>Nil</u>
15				
a) Auditors' Remuneration				
Audit Fees		0.75		0.75
Tax Audit Fees		0.15		0.15
VAT Audit Fees		0.08		—
Other Services		0.30		0.33
		<u>1.28</u>		<u>1.23</u>
b) Cost Audit Fees		<u>0.05</u>		<u>0.05</u>
16				
Remuneration to Managing Director				
Salary		12.00		6.00
Perquisites		3.00		5.37
Contribution to Provident Fund		1.44		0.72
		<u>16.44</u>		<u>12.09</u>

During the year remuneration of Rs 22.11 Lakhs was paid to the managing director as per resolution approved by Shareholders in the general meeting held on 21st July 2006. However, due to inadequacy of profit the managing director is entitled to a remuneration of Rs 16.44 lakhs (Rs 15 Lakhs and Provident Fund contribution). Accordingly excess payment of Rs 5.67 lacs which is 'held by the managing director in trust' as per Section 309 (5A) of the Companies Act, 1956 has since been refunded by him.



17 Disclosure of related parties / related party transactions:

a) Names of related parties :

SL.No.	Name of Related Party	Relationship
1	Century Aluminium Mfg. Co. Ltd.	Associated Concern
2	Vintage Capital Markets Ltd.	Associated Concern
3	Paramsukh Properties Pvt. Ltd.	Associated Concern
4	Jeco Exports and Finance Ltd	Associated Concern
5	CAMCO Multi Metal Udyog Ltd	Associated Concern
6	Multi Metal Udyog	Associated Concern
7	Nandadevi Sales Agency	Associated Concern
8	Alfa Aluminium (P) Ltd	Associated Concern

b) Key Management Personnel & their relatives

(i)	Shri M P Jhunjhunwala	:	Chairman & Managing Director
	<i>Relatives of Shri M P Jhunjhunwala</i>	:	
	Smt. Sita Devi Jhunjhunwala	:	Wife
	Shri Vikram Jhunjhunwala	:	Son
	Smt. Saroj Saraf	:	Daughter.
	Smt. Shashi Khaitan	:	Daughter
	Smt. Sarita Modi	:	Daughter
(ii)	Shri Kailash Baheti	:	Chief Executive Officer & Chief Financial Officer
	<i>Relatives of Shri Kailash Baheti</i>	:	
	Shri Shankar Lal Baheti	:	Father
	Smt. Bimla Devi Baheti	:	Mother
	Smt. Shashi Baheti	:	Wife
	Ms Ankita Baheti	:	Daughter
	Ms Apoorva Baheti	:	Daughter

c) Disclosure of related party transactions:

Current Year (2006-07)				(Rs. lacs)	
Sr. No.	Nature of relationship transaction	Associated Concerns	Key Management Personnel	Relatives of Key Management Personnel	
1	Purchase of Goods	3,078.51	—	—	
2	Sale of Goods	322.33	—	—	
3	Rent Paid	5.08	—	0.84	
4	Rent Received	0.30	—	—	
5	Interest Paid	—	—	—	
6	Sale of Fixed Assets	—	—	—	
7	MD Remuneration	16.44	—	—	
8	Remuneration to CEO & CFO	19.62	—	—	

Previous Year (2005-06)				
<u>Sr. No.</u>	<u>Nature of relationship transaction</u>	<u>Associated Concerns</u>	<u>Key Management Personnel</u>	<u>Relatives of Key Management Personnel</u>
1	Purchase of Goods	4,089.16	—	—
2	Sale of Goods	189.09	—	—
3	Rent Paid	5.53	—	0.42
4	Interest Paid	0.24	—	—
5	Sale of Fixed Assets	2.26	—	—
6	MD Remuneration	—	12.09	—
7	Remuneration to CEO & CFO	—	9.85	—

d) Outstanding balances as on :			(Rs. lacs)
		<u>31.3.2007</u>	<u>31.3.2006</u>
Loans & Advances			
	Associated Concerns	219.30	35.00
	Key Management Personnel & Relatives	—	—
Sundry Creditors			
	Associated Concerns	—	116.46
	Key Management Personnel & Relatives	—	—
Unsecured Loans			
	Associated Concerns	—	—
	Key Management Personnel & Relatives	—	—
Sundry Debtors			
	Associated Concerns	4.06	—
	Key Management Personnel & Relatives	—	—

18 Earnings per share (EPS) computed in accordance with Accounting Standard 20 :			(Rs. lacs)
		<u>2006-07</u>	<u>2005-06</u>
	Profit for the year	380.08	338.15
	Prior period adjustment	—	1.25
	Settlement of Right of Recompense	(102.75)	—
	Excess Provision of Income Tax written back	0.15	—
	Income Tax	(31.00)	(19.57)
	Fringe Benefit Tax	(3.17)	(7.20)
	Deferred Tax Assets	(25.63)	267.26
	Net Profit	217.68	579.89
	*Weighted average number of Equity Shares outstanding (Number in lacs)	470	*255
	Basic and diluted earnings per share (Rs.)	0.46	2.27
	Number of shares outstanding from 1.4.2005 to 10.11.2005		120 lacs
	Number of shares outstanding from 1.11.2005 to 31.3.2006		470 lacs
	*Weighted average number of Equity Shares outstanding		255 lacs



19 Additional information as required under Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile:

I Registration Details

Registration No.	4 3705	State Code	21
Balance Sheet	3 1 03 2007		
	Date Month Year		

II Capital Raised during the year (Rs. '000)

Public Issue	N I L	Rights Issue	N I L
Bonus Issue	N I L	Private Placement	N I L

III Position of Mobilisation and Deployment of Funds (Rs. '000)

Total Liabilities	230281	Total Assests	230281
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Sources of Funds

Paid-up Capital	47000	Reserves & Surplus	51051
Secured Loans	98162	Unsecured Loans	34068

Application of Funds

Net Fixed Assets	70645	Investments	N I L
Net Current Assets	135473	Deferred Tax Assets	24163
Misc. Expenditure	N I L		

IV Performance of Company (Rs. '000)

Turnover	1025702	Total Expenditure	997969
Profit/Loss Before Tax	<input checked="" type="checkbox"/> (+) <input type="checkbox"/> (-) 27733	Profit/Loss After Tax	<input checked="" type="checkbox"/> (+) <input type="checkbox"/> (-) 21768
" (Please tick Appropriate box + for Profit, - for Loss) "			
Earning per share in Rs.	0.46	Dividend @%	N I L

V Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	76.04
Product Description	ALUMINIUM BARS RODS AND PROFILES
Item Code No. (ITC Code)	76.05
Product Description	ALUMINIUM WIRE
Item Code No. (ITC Code)	76.08
Product Description	ALUMINIUM TUBES AND PIPES

The figures of the previous year have been regrouped/rearranged wherever considered necessary.
Signatures to the Schedules 1 to 17 which from an integral part of the Accounts.

As per our report of even date attached
for **KHETAWAT & ASSOCIATES**
Chartered Accountants

A K Khetawat
Partner
Membership No. 052751

Kolkata
Dated : 31st day of May, 2007

M P Jhunjunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M G Todi
R N Das
V K Mushran
Directors