

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G TODI
R N DAS
V K MUSHRAN
P K SENGUPTA - *Alternate Director to Mr. V.K.Musbran*
V JHUNJHUNWALA
M P JHUNJHUNWALA - *Chairman & Managing Director*

CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

KAILASH BAHETI

COMPANY SECRETARY

SUHITA MUKHOPADHYAY

AUDITORS

A L P S & CO.
CHARTERED ACCOUNTANTS
310, TODI CHAMBERS
2, LALBAZAR STREET
KOLKATA-700001

COST AUDITORS

N RADHAKRISHNAN & CO.
COST ACCOUNTANT
11A, DOVER LANE
KOLKATA-700029

REGISTRAR & SHARE TRANSFER AGENTS

MCS LIMITED
77/2A, HAZRA ROAD
KOLKATA-700029

BANKERS

STATE BANK OF INDIA
AXIS BANK LIMITED
ALLAHABAD BANK

REGISTERED OFFICE

113, PARK STREET, 'N' Block, 2ND FLOOR,
KOLKATA-700016

WORKS

WBIDC INDUSTRIAL GROWTH CENTRE
PLOT NO. 7A, SECTOR-B
P.O. RAKHAJUNGLE, PIN - 721 301
NIMPURA, KHARAGPUR
DIST. MIDNAPORE (WB)



INDEX

	Page No.
1. Notice	3 - 4
2. Director's Report	5 - 8
3. Report on Corporate Governance	9 - 15
4. Management Discussion and Analysis	16 - 18
5. Certificate on Compliance	19
6. CEO & CFO Certification	19
7. Auditor's Report	20 - 21
8. Balance Sheet	22
9. Profit & Loss Account	23
10. Cash Flow Statement	24
11. Schedules	25 - 27
12. Accounting Policies and Notes on Accounts	28 - 36

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the Members of Century Extrusions LIMITED will be held on Wednesday, the 30th Day of July, 2008 at 10.30 A.M. at Bharatiya Bhasha Parishad (Sitaram Seksaria Auditorium) 36A, Shakespeare Sarani, Kolkata - 700 017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2008, the Balance Sheet as on that date and the reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares for the year ended 31st March, 2008.
3. To appoint a Director in place of Mr. Vikram Jhunjhunwala who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr V K Mushran who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting and to authorize the Board of Directors to fix their remuneration.

By order of the Board

Subita Mukhopadhyay
Company Secretary

Kolkata

Dated: 8th day of May, 2008

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 26th July, 2008 to 30th July, 2008 (both days inclusive) for AGM.
3. Shareholders desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
4. Members, who hold the shares in de-materialized form, are requested to bring their client ID and DP ID Nos. for easier identification of attendance at the meeting.
5. Members who hold shares in physical form are requested to notify any change in their address to the Registrar and Share Transfer Agents of the Company and always quote their Folio Number in all correspondence with the Company.
6. Re-appointment of Directors:
Brief particulars of the Directors of the Company proposed to be appointed or re-appointed at the ensuing Annual General Meeting are given in the annexure.
7. Members / Proxies should bring the Attendance Slip duly filled in for attending the meeting.
8. The Dividend in respect of equity shares will be payable to the shareholders, whose names shall appear on the Register of Members as on 26th May, 2008(Record Date), and shall be paid on or after 8th August, 2008.
9. Members may please note that the Dividend Warrants would be payable at par at all the Branches of the Bank printed on the reverse of the Dividend Warrants for an initial period of 6 months only and thereafter the Dividend Warrant on revalidation



NOTICE (CONTD.)

would be payable again at all centers / branches. The members are therefore advised to encash Dividend Warrants within the initial validity period

10. In order to provide protection against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company, under the signature of the Sole/First Joint holder, the following information to be incorporated on the Dividend Warrants:
- (i) Name of the Sole/ First Joint Holder and the Folio Number
 - (ii) Particulars of Bank Account, viz.
 - (a) Name of the bank
 - (b) Name of Branch
 - (c) Complete address of the Bank with Pin Code Number
 - (d) Account type, whether Savings (SB) or Current Account (CA)
 - (e) Bank Account number allotted by the Bank
11. Members holding the shares in electronic mode may please note that their dividend would be paid through Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their Bank Account as per the mandate given by the members to their DPs. In the absence of availability of ECS facility, the dividend would be paid through warrants and the Bank details as furnished by the respective Depositories to the company will be printed on their dividend warrants as per the applicable regulations. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.
12. Corporate Members intending to send their authorized representative are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.

ANNEXURE

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR REAPPOINTMENT

	I	II
Name of Director	Mr Vikram Jhunjunwala	Mr V K Mushran
Date of Birth	05.05.1965	16.12.1937
Date of Appointment	21.03.1996	21.07.2006
Expertise	17 years experience in Aluminium Industry	Marketing
Qualification	Commerce Graduate	Masters in Science
List of Public Companies in which Outside directorships held as on 31.03.2008	1) Century Aluminium Mfg Co Ltd - Executive Director 2) Vintage Capital Markets Ltd - Director 3) Camco Multi Metal Ltd - Director	None
Chairman/Member of the Committees of the Board of the Companies on which he is a Director as on 31st March, 2008	1) Century Extrusions Ltd - Share Transfer Committee-Member Audit Committee -Member Compensation Committee -Member 2) Century Aluminium Mfg Co Ltd Share Transfer Committee-Member	None

To the Members,

We are happy to present our report on the business and operations of the Company for the year ended 31st March 2008.

Financial Results

In Rs. lacs, except per share data

Year ended March 31	2008	2007
Sales	11703	11871
Profit before Interest, Depreciation and Impairment of Assets	751	550
Interest	99	95
Profit before Depreciation and Impairment	652	455
Depreciation and Impairment of Assets	86	75
Net Profit	566	380
Payment against Settlement of Right of Recompense	—	103
Provision for Taxation	266	60
Profit after Tax	300	217
Profit brought forward	502	293
Surplus available for Appropriation	802	510
Appropriations:		
Proposed Dividend	47	—
Corporate Tax on Dividend	8	—
Balance carried to Balance Sheet	747	510

Dividend

The Board of Directors is pleased to recommend a dividend of 10% (Re. 0.10 per equity share of Re.1/- each) on the paid-up equity capital of 4,70,00,000 Equity shares for the year ended 31st March, 2008 for consideration of the shareholders.

Management Discussion and Analysis

Management Discussion and Analysis Report on the financial condition and results of the operations of the Company for the year under review is given as a separate statement in the Annual Report.

Directors

Mr V K Mushran, an independent director on the Board, being out of State, Mr P K Sengupta an erstwhile director of your company was appointed as the Alternate Director pursuant to the provisions of section 313 of the Companies Act, 1956. He will hold office till Mr V K Mushran returns back to the State.

Mr Vikram Jhunjhunwala and Mr V K Mushran retire 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:

- 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, 2008 and of the profit or loss of the Company for the year ended on that date;



- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the annual accounts have been prepared on a going concern basis.

Auditors / Auditors' Report

The auditors, M/s. A L P S & Co., 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, 2008.

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

Information in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, regarding employees is given hereunder. 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.

Name	Age	Designation	Gross Remuneration (Rs.)	Qualification	Total Experience (yrs.)	Date of commencement of employment	Last Employment held
Kailash Baheti	44yrs	Chief Executive Officer and Chief Financial Officer	29,72,356	B com. (Hons.), FCA, ACS & AICWA	23	1.12.96	Shubham Industries Ltd.

- Note: 1. Gross remuneration comprises of salary, allowances, company's contribution to Provident Fund and taxable value of perquisites.
2. The employee mentioned above is not a relative of any of the Directors of the Company.

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 thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels.

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.

For and on behalf of
the Board of Directors

Kolkata

Dated : 28th day of April, 2008

M P Jhunjunwala
Chairman & Managing Director

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:

Installed new Recuperators with advanced technology on 3MT and 6MT bath capacity melting furnaces in the months of December 2007 and September 2007 respectively.

- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Approx. Rs. 16.38 Lacs has been incurred for the above Recuperators and associated modification of ducts to facilitate installation. We have also modified the ducts for 8MT furnace during the year, and placed order for Recuperator on the 8MT furnace.

- 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:

There has been savings of approx. 8 to 10 litres of furnace oil per MT of logs cast from the 3MT and 6MT furnaces. Since the new Recuperators were installed in the second half of the year, the effect of savings would be visible in the financial year 2008-09 onwards. This should result in a saving of approx. Rs. 200 per MT in the cost of production of our finished goods.

- 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
2007-2008	119	1362
2006-2007	119	1243

Note: The Electrical Energy (KWH/MT) of extrusions has increased on account of additional energy expended on Homogenization of increased quantity of logs produced 'IN-HOUSE'.

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 did not make effort to enter the export market during the year as it had an excellent order book from the indigenous customers, and did not have any spare capacity.

- b) Total foreign exchange used and earned:

	Current Year (Rs. in lacs)	Previous year (Rs. in lacs)
Used	367.81	175.55
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 07 – 08	Previous Year 06 – 07
1. Electricity		
(a) Purchased		
Units - KWH in thousands	9242	8138
Total amount – Rs. in thousands	35094	30757
Average Rate (Rs./KWH)	3.80	3.78
(b) Own generation through Diesel Generator		
Units - KWH in thousands	15	24
Units/Ltr. of Diesel	2.35	2.40
Diesel cost/Unit generated (Rs.)	14.58	14.53
2. Coal (consumed in metal recovery unit)		
Quantity in M.T.	22.45	18.01
Total cost (Rs. in thousands)	94	73
Average Rate (Rs/MT)	4199	4028
3. Furnace Oil		
Qty. in Kilo Litres.	836	782
Total cost (Rs. in thousands)	16076	13622
Average Rate (Rs/Ltr)	19.23	17.42
4. Others	Nil	Nil
B. Consumption per unit of production		
Electricity (KWH/MT of extrusions produced)	1362	1243
Coal (Kg/MT of extrusions produced)	5	5
Furnace Oil (Ltr./MT of logs produced)	119	119

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

Kolkata

Dated : 28th day of April, 2008

MP Jhunjunwala
Chairman & Managing Director

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.

The Corporate Governance in your Company lead to a series of exercises in the following areas:

- (i) Code of Ethics and Business Conduct for Directors and Senior Management
- (ii) Improving Quality and frequency of Information Flow to the Board and to the Audit Committee to enable them to discharge their functions effectively
- (iii) A system of risk management and internal control
- (iv) Transparency and accountability
- (v) Compliance with all rules and regulations
- (vi) Policy on Prevention of Insider Trading

2. Board of Directors

The Board of Directors comprises a Chairman and Managing Director and 4 non-executive Directors. The Non-Executive Directors (NEDs) with their diverse knowledge, experience and expertise bring in independent judgment in the deliberations and decisions of the Board.

During the year, 5 Board Meetings were held 31.5.2007, 27.7.2007, 29.10.2007, 15.12.2007 and 21.01.2008.

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 Director & Designation	Category	No. of Board Meetings attended	Attendance at last AGM	No. of outside directorships	No. of outside Committees	
					Members	Chairman
MP Jhunjunwala Chairman & MD	Executive & promoter	5	Yes	2	2	—
V Jhunjunwala Director	Non-executive & promoter	3	No	3	1	—
R N Das Director	Non-executive & Independent	5	Yes	—	—	—
M G Todi Director	Non-executive & Independent	5	Yes	6	1	1
V K Mushran Director	Non-executive & Independent	3	Yes	—	—	—
P K Sengupta (Alternate to V K Mushran)	Non-executive & Independent	1	—	—	—	—



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 2007-08 is given below:

Name of the Director	Relationship with other Directors	Salaries & Perquisites (Rs.)	Sitting Fees for Board and Committee Meetings (Rs.)
Mr M P Jhunjhunwala	Father of Mr V Jhunjhunwala	22,98,662	—
Mr V Jhunjhunwala	Son of Mr M P Jhunjhunwala	—	50,000
Mr V K Mushran	—	—	32,500
Mr R N Das	—	—	50,000
Mr M G Todi	—	—	77,500
Mr P K Sengupta (Alternate to Mr V K Mushran)	—	—	7,500
TOTAL		22,98,662	217,500

4. CODE OF ETHICS AND BUSINESS CONDUCT

The Company has adopted a Code of Ethics and Business Conduct applicable to all Board Members and Senior Management of the company, a copy of which is available on the Company's website www.centuryextrusions.com. The Managing Director has submitted the following declaration to the Company:

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and ethics for Directors and Senior Management in respect of the financial year 2007-2008.

(M P Jhunjhunwala)

Dated : 28th day of April, 2008

Chairman and Managing Director

5. RE-APPOINTMENT OF DIRECTORS:

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

Mr Vikram Jhunjhunwala

Mr Vikram Jhunjhunwala, one of the promoters of the Company, is a commerce graduate and has over 19 years experience in all spheres of running an industrial organization in Aluminium Industry.

Companies in which Mr Vikram Jhunjhunwala holds directorships and Committee Memberships :

Name of the Company	Nature of Interest
• Century Aluminium Mfg. Co. Ltd.	Executive Director
• Camco Multi Metal Ltd	Director
• Vintage Capital Markets Ltd.	Director

Shareholdings in the Company : 48708 shares (0.10% of the total paid-up share capital)

Mr V K Mushran

Mr V K Mushran has taken his Masters Degree in Science. He had built a successful career in Senior Marketing position at Hindalco Industries Ltd. and was the Sr. Vice President in charge of marketing at the time of his retirement in the year 2000.

Companies in which Mr V K Mushran holds directorships and committee memberships- Nil

Shareholdings in the Company : Nil

COMMITTEES OF THE BOARD

6. Audit Committee:

Major changes in financial policies are reviewed or approved by this Committee. The Audit Committee, constituted in line with the composition as prescribed by the Code of Corporate Governance, presently comprises 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 Audit Committee meetings are attended by the Chief Financial Officer, Manager Finance and representatives of Statutory Auditors and Internal Auditors who are invited to the meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee. The broad functions of the Audit Committee are in conformity with the requirements of the Companies Act, 1956 and the Listing Agreement.

The committee held four meetings during the year 2007-08.

Name of Director	No. of Meetings attended
Mr M G Todi, Chairman	4
Mr R N Das	4
Mr V K Mushran	3
Mr V Jhunjhunwala	—

7. Compensation Committee

The Compensation Committee of the Company, inter alia, recommends to the Board the remuneration packages for Executive Directors and Managing Director. The committee is presently comprising of 4 Directors and the Chairman is an independent non-executive director:

Name of Director	No. of Meetings attended
Mr M G Todi, Chairman	1
Mr R N Das	1
Mr V K Mushran	1
Mr V Jhunjhunwala	—

The committee held one meeting during the year 2007-08 on 31st May, 2007.

Details of Remuneration of Chairman & Managing Director for the year 2007-2008

	Rs. In lacs
Salary	12.00
Perquisites	9.55
Contribution to Provident Fund	1.44
Total	<u>22.99</u>

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

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

The Board has constituted Shareholders'/Investors' Grievance Committee comprising of 5 Directors and the Chairman is a non-executive independent Director.

Name of Director	No. of Meetings attended
(i) Mr M G Todi - Chairman	11
(ii) Mr V Jhunjhunwala	11
(iii) Mr R N Das	—
(iv) Mr V K Mushran	—
(v) Mr M P Jhunjhunwala	11



The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities and redressal of shareholders' complaints.

The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading Regulations), 1992. The Board has delegated the power of approving transfer of securities to the Company Secretary & Compliance Officer and/or the Manager Finance.

Compliance Officer

During the financial year 2007-2008 Smt. Suhita Mukhopadhyay was appointed the Compliance Officer for complying with the requirements of the SEBI (Prohibition of Insider trading) Regulations, 1992 and the listing Agreement with the Stock Exchanges in India and will continue holding the same designation .

Shareholders' Complaints

The Company received 17 complaints during the year all of which were duly resolved. There was no share transfer pending as on March 31, 2008. All complaints received from the shareholders during the year 2007 – 08 were redressed and resolved within 30 days from the respective date of receipt.

9. General Body Meetings :

Location, date and time of the Annual General Meetings held during the preceding 3 financial years are as follows:

AGM/EGM	LOCATION	DATE & TIME	SPECIAL RESOLUTION
AGM	Gorky Sadan Gorky Terrace, Kolkata-700017	26.08.2005 11.00 A.M.	YES
AGM	Gyan Manch, 11, Pretoria Street Kolkata - 700 017	21.07.2006 11.00 A.M.	YES
AGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017	27.07.2007 10.30 A.M.	YES
EGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700 017	21.01.2008 10.30 A.M.	YES

Postal Ballot

The Company had intended 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 was necessary to alter the Main Objects Clause of the Memorandum of Association of the Company by seeking the permission of the shareholders. 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 was obtained by way of special resolution by way of sending postal ballots to the shareholders. The result of Postal Ballot was declared by the Chairman on 6th August, 2007

Number of valid Postal Ballot forms received	287
Total number of Valid Votes	27371116
Votes in favour of the resolution	27367754 (99.99% of total valid votes) (58.23 % of total paid up share capital)
Votes against the resolution	3362 (0.012 % of total valid votes) (0.01% of total paid up share capital)
Number of invalid Postal Ballot forms received	13

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

10. **Disclosures :**

Related Party transactions

The statutory disclosure requirements relating to related party transactions have been complied with in the Annual Accounts (Schedule 17, Serial No. 18). There were no material transactions during the year 2007 – 2008, 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 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 the above period.

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 : 30th July, 2008
 Time : 10.30 A.M.
 Venue : Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017

Financial Calendar : April to March

Publication of results for the Financial Year 2008-09

- First Quarter results : Before 31st July, 2008
- Second Quarter and half- yearly results : Before 31st October 2008
- Third Quarter results : Before 31st January 2009
- Fourth Quarter results and results for the year ending on 31.03.2009 : During May / June 2009

Book Closure : From : 26th July, 2008 to 30th July, 2008 (both days inclusive)

13. **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 Bombay Stock Exchange Ltd.	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 Bombay Stock Exchange Ltd. and the National Stock Exchange for the financial year 2007-2008.

14. Market Price Data:

Monthly high and low quotation of shares traded on the National Stock Exchange of India Ltd (NSE) and The Bombay Stock Exchange Ltd. (BSE) for the year 2007-2008:

MONTH	BSE		NSE	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
APRIL	4.12	3.00	4.25	3.00
MAY	3.43	2.86	3.45	3.00
JUNE	3.34	2.91	3.35	3.00
JULY	4.90	3.07	4.95	3.10
AUGUST	4.79	3.75	5.20	3.30
SEPTEMBER	5.39	3.80	4.95	3.80
OCTOBER	4.95	3.80	4.60	3.75
NOVEMBER	10.29	3.50	10.40	3.75
DECEMBER	16.39	8.01	16.15	8.00
JANUARY	18.95	7.50	18.65	7.50
FEBRUARY	9.63	5.61	9.90	5.60
MARCH	5.85	3.95	6.25	3.90

15. REGISTRAR AND SHARE TRANSFER AGENTS

MCS Limited

77/2A, Hazra Road, Kolkata-700029

Telephone : +91 33 2454 1892 /3

Fax : +91 33 2454-1961 /2474-7674,

E-mail : mscscal@cal2.vsnl.net.in,

16. The Distribution of Shareholding as on 31-03-2008 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shareholding
Upto 500	12014	64.16	2648636	5.64
501 to 1000	3301	17.63	2913935	6.20
1001 to 2000	1532	8.18	2502234	5.32
2001 to 3000	571	3.05	1509327	3.21
3001 to 4000	268	1.43	988743	2.10
4001 to 5000	348	1.86	1691355	3.60
5001 to 10000	373	1.99	2873248	6.11
10001 to 50000	268	1.43	5556023	11.82
50001 to 100000	32	0.17	2314736	4.92
100001 and above	18	0.10	24001763	51.07
Total	18725	100.00	47000000	100.00

17. Categories of Shareholders as on 31st March 2008

Category	No. of Shares held	% to paid-up Capital
a. Promoters, Relatives and Associates	22233253	47.30
b. Financial & Investment Institutions	192500	0.41
c. Mutual Funds	2800	0.01
d. Non-Resident Individuals	188695	0.40
e. Bodies Corporate [other than covered in (a) & (b) above]	4454934	9.48
f. Indian Public	19924818	42.39
g. Others	3000	0.01
Total	47000000	100.00

Dematerialization of Shares and Liquidity:

Trading in the Company's shares is permitted only in dematerialized 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 Dematerialization as on March 31, 2008:

Particulars	No. of Shares	Percentage of total Capital	Number of Accounts
National Securities Depository Limited	38573869	82.07	8824
Central Depository Services (India) Limited	7095184	15.10	4457
Total Dematerialized	45669053	97.17	13281
Physical	1330947	2.83	5444
Grand Total	47000000	100.00	18725

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, Plot No. 7A,
 Sector-B, P.O. Rakhajungle, Pin : 721 301
 Nimpura, Kharagapur, Dist. Midnapore (W. B.)

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 : mcsca@cal2.vsnl.net.in



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The aluminium extrusions industry in India constitutes of two segments – Primary and Secondary Extrusion Manufacturers. The primary producers produce alumina, aluminium metal and also the further value added products such as wire rods, billets, rolled products, extrusions etc. There are presently 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 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.

With expected economic growth, the primary producers are putting up very large capacities for manufacture of primary metal, which itself should become a big growth driver for the extrusions industry in India.

Applications

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, Modular furniture 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, Transmission Line Hardware such as P. G. Clamps, Repair Sleeves, 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.

Market

The aluminium extrusion market can be divided into two segments, viz. End-use Customer Segment (direct sale to actual users) and Trade Segment (sale to the dealers/re-sellers). The trade segment mainly deals in profiles used for Architectural, Transport and Electrical applications. **The company has been focusing on supplies to end use customers. The proportion of our supplies to End-use Customers has continuously increased over last few years and currently stands at 86%.**

The demand for aluminium extrusions has been growing at a healthy pace. Simultaneously, the extrusions industry in India is also expanding its installed capacity to meet the increasing demand.

The new entrants in the industry have a long gestation period. The process of customer development - identifying a customer, understanding his needs, developing dies as per his requirement, satisfying the customer with the required product qualities i.e., dimensional tolerances, alloy compositions, product strength and other mechanical and physical properties - is a long drawn out process.

Your company has over the years developed over 450 end-use customers, and that is our biggest strength.

Opportunities

The Indian economy is experiencing high growth, and is expected to continue growing at a healthy growth rate in the near future. The continued growth of the Indian economy provides significant opportunity for growth of the extrusions industry.

The **Architectural applications** account for nearly 50% of the entire consumption of extrusions in India. The Construction sector is doing very well, particularly the development of commercial properties in areas such as retail chains, shopping malls, Information Technology parks, Hotels, Airports etc., where the consumption of Aluminium Extrusions is very high.

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.

The other user segments of the extrusions industry such as **Electrical Applications, Industrial and Engineering Applications, Transport Sections and Auto Components, Electronics and Defence Applications** are all growing at a healthy pace and significant growth opportunities exist in each of these market segments.

Value added products

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:

- Cold Drawn Wires and Rods in coil form, e.g. Armour Rods
- Cold drawn and reeled/straightened Rods, Hexagonal Bars cut to length for use on automats to enhance plant productivity
- Welding filler wire in spools for MIG welding and in cut-to-lengths for TIG welding
- Motor housings in ready-to-use lengths

Aluminium Extrusions are widely used in production of **Hardware for Power Transmission & Distribution Lines**. Your Company has recently put up a facility for production, assembly and testing of the Hardware kits at its existing factory location at Kharagpur. The Company expects to start supplies of the Hardware for Power Transmission & Distribution Lines by end of the first quarter of the Financial Year 2008 – 09.

New Projects

The Company has presently undertaken the following projects for expansion of extrusions manufacturing capacity:

- Installation of an additional Press Line of 2700 MT Press capacity to increase the extrusion capacity by 7200 MT per annum. The project is expected to complete by June 2009.
- Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity by additional 300 MT per annum. The projects are expected to be undertaken and completed in 2009-10, immediately after the new press line of 2700MT commences commercial operations.

With addition of the above new Equipment, the Installed Capacity would increase from present level of 7,500 MT per annum to 15,000 MT per annum.

Threats

The world economic growth is showing signs of slow downs. The growth rate of the Indian economy is also likely to be lower than the growth rate recorded in last two years. This may have some adverse effect on the demand for extrusions in India.

The world commodity prices, including the prices of aluminum metal, our principal raw material, have hardened considerably over last 3-4 months. With a slowing economy, this may have negative impact on the growth of demand for extrusions.

The buoyancy in extrusion industry has resulted in significant new capacities being put up in India. If the commissioning of the new capacities coincides with less than projected growth, the margins for the extrusion industry may come under pressure.

Risks and Areas of Concern

We have been operating at almost full capacity utilization with the available infrastructure for past four years. The production and sale in quantity terms could not grow due to limitation of available capacity. The fixed costs are continuously increasing, affecting our cost competitiveness. The situation would considerably improve upon commissioning of our planned new capacity in the financial year 2009-10.

Your company is coming up with 100% expansion in capacity which would come into operation in FY 2009 – 2010. If the commissioning of new capacity coincides with other similar capacities coming up within the country, or with lower growth in economy, we may have to face stiff competition. However, your company is well poised to face the competition with focused development of end use customers over last few years.

Managing Risk

The management assesses various perceived risks such as Business Risk, Market Risk, Finance Risk, Interest Risk etc., and the measures which need to be taken to mitigate the risks from time to time.

The risks assessed and the measures taken to mitigate the same are periodically reviewed and placed before the board.



Segment-wise / Product-wise performance

During the financial year 2007-08, the company operated only in one segment/product, viz., Manufacture of Aluminium Extrusions.

Outlook

The market for extrusions in India has shown a good growth in the recent past, 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 almost evenly matched at present. 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.

Financial performance with respect to Operational performance

The company has continued with its policy to concentrate on direct sale to end-use customers. The share of sale to end-use customers has reached an almost optimum level of 86% of the total sales as against 85% in the previous year.

The company manufactured and sold 6597 MT of extrusions against 6410 MT in the previous year. The company has been operating at almost full capacity utilization for the last 4 years.

The sales revenue for the year under review was Rs. 11,703 Lacs against Rs. 11,871 Lacs in the previous year. The decrease was mainly on account of lower metal prices during the year as compared to the last year. However, by the end of the financial year 2007-08, the metal prices had again increased very sharply and were considerably higher than the average prices for the whole of the financial year.

The Operating profit (PBDIT) increased to Rs. 766 Lacs from Rs. 570 Lacs during the previous year.

The corporate tax liability for the year was Rs. 263 Lacs comprising Minimum Alternate Tax (MAT) of Rs. 64 Lacs and write down of Deferred Tax Assets of Rs. 199 Lacs. The MAT would be available for set off against normal tax liability for next 5 years.

The Profit after Tax for the year increased to Rs. 300 Lacs against Rs. 218 Lacs during the previous year.

Human Resources and Industrial Relations

The Company continues its focus on attracting and retaining the best talent in the industry. The Company makes continuous effort to upgrade the standard of present employees by conducting various training programs.

A congenial work environment with proper infrastructure, continuous training opportunities for the employees, future growth and development opportunities and various welfare measures keep our employees continuously motivated.

Your company has a long term wage agreement with its workmen which is valid till 31st October 2009. Your company had employed 336 numbers of persons as on 31st March 2008.

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, 2008, 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 ALPS & CO.
Chartered Accountants

Kolkata
Dated : 28th day of April, 2008

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.

Place : Kolkata
Dated : 28th day of April, 2008

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer &
Chief Financial Officer



AUDITORS' REPORT

To The Members,

We have audited the attached Balance Sheet of **CENTURY EXTRUSIONS LIMITED** as at 31st March, 2008 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, 2008 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2008 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, 2008;
 - 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 A L P S & CO
Chartered Accountants
(A K Khetawat)
Partner
Membership No. 052751

Kolkata

Dated : 28th day of April, 2008

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, 2008 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating Rs.53.00 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	0.71 Lakhs	1995-1996 & 1997-1998	West Bengal Commercial Appellate & Revisional Board, Kolkata
		16.12 Lakhs	2003-2004 & 2004-2005	Deputy Commissioner of Commercial Tax
Central Sales Tax Act, 1956	Central Sales Tax	5.73 Lakhs	1996-1997 & 1997-1998	West Bengal Commercial Appellate & Revisional Board, Kolkata
		27.37 Lakhs	2003-2004 & 2004-2005	Deputy Commissioner of Commercial Tax
Central Excise Act, 1944	Excise Duty	3.07 Lakhs	2004-2005	Commissioner (Appeals I) Central Excise Kolkata

- 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 has maintained proper records of the transactions and contracts and made timely entries therein for dealing in securities and the investments are held by the company in its own name.
- 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) During the year the company has not issued any shares to any person.
- 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.

Kolkata
Dated : 28th day of April, 2008

For A L P S & CO
Chartered Accountants
(A.K.Khetawat)
Partner
Membership No. 052751



BALANCE SHEET

(Rs. '000)
As at 31st March

	Schedule	2008	2007
SOURCES OF FUNDS			
<i>Shareholder's Fund</i>			
Share Capital	1	47000	47000
Reserve & Surplus	2	74699	51051
<i>Loan Funds</i>			
Secured Loans	3	114599	98162
Unsecured Loans	4	32761	34068
Total		<u>269059</u>	<u>230281</u>
APPLICATION OF FUNDS			
<i>Fixed Assets</i>			
Gross Block	5	220070	215050
Less : Depreciation		<u>153817</u>	<u>144429</u>
Net Block		66253	70621
Capital Work-in-Progress		6229	24
		<u>72482</u>	<u>70645</u>
<i>Deferred Tax Assets</i>	6	4679	24163
<i>Current Assets, Loans & Advances</i>			
Inventories	7	80506	86869
Sundry Debtors	8	125378	111547
Cash & Bank Balances	9	22090	13944
Loans & Advances	10	55719	38970
		<u>283693</u>	<u>251330</u>
<i>Less : Current Liabilities & Provisions</i>			
Current Liabilities	11	73682	108134
Provisions	12	18113	7723
		<u>91795</u>	<u>115857</u>
<i>Net Current Assets</i>		191898	135473
Total		<u>269059</u>	<u>230281</u>

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 ALPS & CO

Chartered Accountants

A K Khetawat

Partner

Kolkata

Dated : 28th day of April, 2008

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay
Company Secretary

Vikram Jhunjhunwala
M G Todi
R N Das
P K Sengupta
Directors

PROFIT & LOSS ACCOUNT



(Rs. '000)

For the year ended 31st March

	Schedule	2008	2007
INCOME			
Sales	13	1170306	1187086
Less : Excise Duty		155636	161384
Net Sales		1014670	1025702
Increase / (Decrease) in Stock	14	2751	(18460)
Other Income	15	2228	3719
Impairment of Assets Written Back		1474	2062
		<u>1021123</u>	<u>1013023</u>
EXPENDITURE			
Cost of Materials Consumed		778647	807099
Manufacturing, Selling & Administrative Expenses	16	165850	148903
Interest		9865	9475
Depreciation		10121	9538
		<u>964483</u>	<u>975015</u>
PROFIT FOR THE YEAR		56640	38008
Payment against Settlement of Right of Recompense		—	(10275)
PROFIT BEFORE TAX		56640	27733
Excess Provision of Income Tax Written Back		—	15
Provision for Taxation :			
Fringe Benefit Tax		(356)	(317)
Income Tax		(6365)	(3100)
Deferred Taxes		(19918)	(2563)
PROFIT AFTER TAX		30001	21768
Balance Brought Forward	51051		29283
Less : Adjustment for Employee Benefits as per AS15 (Revised)	854		—
		<u>50197</u>	<u>29283</u>
BALANCE AVAILABLE FOR APPROPRIATION		80198	51051
APPROPRIATIONS :			
Proposed Dividend		4700	—
Provision for Tax on Dividend		799	—
		<u>74699</u>	<u>51051</u>
Basic and Diluted Earning Per Share Rs.		0.64	0.46
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 A L P S & CO

Chartered Accountants

A K Khetawat

Partner

Kolkata

Dated : 28th day of April, 2008

M P Jhunjunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay
Company Secretary

Vikram Jhunjunwala
M G Todi
R N Das
P K Sengupta
Directors



CASH FLOW STATEMENT

	(Rs.'000)		
	For the year ended 31st March		
	2008	2007	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items:	56640	38008	
Adjustment for :			
Depreciation	10121	9538	
Provision for Impairment of Assets	(1474)	(2062)	
Deferred Tax	(19918)	(2563)	
Employee Benefits	(1288)		
Provision for Taxation	(6721)	(19280)	(3417)
(Profit)/Loss on sale of fixed assets		416	262
Interest Paid	9865	9475	
Less : Interest Received	(758)	9107	(896)
Operating Profit before working capital changes	46883	48345	
Adjustment for :			
Trade and other receivables	(30936)	(46575)	
Inventories	6363	25673	
Trade payables	(34452)	(16451)	
Cash generated from operations	(12142)	10992	
Taxation	6721	3417	
Adjustment of Deferred Tax	19918	2563	
Extraordinary Items	—	(10275)	
Net cash from operating activities	14497	6697	
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(12829)	(6943)	
Sale/Adjustment of fixed assets	455	100	
Interest received	758	896	
Net cash used in investing activities	(11616)	(5947)	
C. CASH FLOW FROM FINANCIAL ACTIVITIES			
Proceeds from long term borrowings	(2523)	(2511)	
Proceeds from short term borrowings	17653	14487	
Interest paid	(9865)	(9475)	
Net cash used in financing activities	5265	2501	
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	8146	3251	
Cash and cash equivalents opening balance:			
Cash and bank balance	13944	10693	
Cash and cash equivalents closing balance:			
Cash and bank balance	22090	13944	

As per our report of even date attached

For ALPS & CO

Chartered Accountants

A K Khetawat

Partner

Kolkata

Dated : 28th day of April, 2008

M P Jhunjhunwala

Chairman & Managing Director

Kailash Baheti

Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay

Company Secretary

Vikram Jhunjhunwala

M G Todi

R N Das

P K Sengupta

Directors

(Rs. '000)
As At 31st March

	2008	2007
1. <i>Share Capital</i>		
Authorised		
120,000,000 Equity Shares of Re.1/- each	<u>120000</u>	<u>120000</u>
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>
	<u>47000</u>	<u>47000</u>
2. <i>Reserve & Surplus</i>		
Surplus as per Profit & Loss Account	<u>74699</u>	<u>51051</u>
	<u>74699</u>	<u>51051</u>
3. <i>Secured Loans</i>		
Loans from Banks :		
Term Loan from :		
ICICI Bank	1076	1775
HDFC Bank	593	—
Buyers Credit from :		
Standard Chartered Bank	—	14987
State Bank of India	31530	—
Other Loans :		
Term Loans from Govt. of West Bengal :		
Soft Loan	50000	50000
Sales Tax Loan	31400	31400
	<u>114599</u>	<u>98162</u>
4. <i>Unsecured Loans</i>		
Short Term Loans :		
West Bengal Industrial Development Corporation Ltd	1110	—
Other Loan :		
Deferred Sales Tax	<u>31651</u>	<u>34068</u>
	<u>32761</u>	<u>34068</u>

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

5. **Fixed Assets**

(Rs.'000)

DESCRIPTION	COST				DEPRECIATION				NET BLOCK	
	As on 01.04.07	Addi- tion	Sale/ Adjust- ment	As at 31.03.08	Up to 31.03.07	For the Year	Sale/ Adjust- ment	Up to 31.03.08	As at 31.03.08	As at 31.03.07
Leasehold Land (Inclusive of site Development)	1,492	—	273	1,219	—	273	273	—	1,219	1,492
Buildings	49,036	—	249	48,787	19,227	1,508	68	20,667	28,120	29,809
Plant & Machinery	131,233	4,692	364	135,561	104,622	6,310	255	110,677	24,884	26,611
Electric Installation	11,502	—	—	11,502	7,943	548	—	8,491	3,011	3,559
Vehicles	4,819	1,414	581	5,652	1,139	480	61	1,558	4,094	3,680
Furniture & Fittings	6,400	134	137	6,397	4,202	268	76	4,394	2,003	2,198
Office Equipments	10,568	384	—	10,952	7,296	734	—	8,030	2,922	3,272
Total	215,050	6,624	1,604	220,070	144,429	10,121	733	153,817	66,253	70,621
Previous Year	208,798	8,075	1,823	215,050	136,352	9,538	1,461	144,429		
Capital Work-In-Progress									6,229	24



SCHEDULES

(Rs. '000)
As At 31st March

6.	<i>Deferred Tax</i>		
	Deferred Tax Assets		
	On Unabsorbed Losses & Unabsorbed Depreciation	14405	36464
	On other timing differences	1422	1046
		<u>15827</u>	<u>37510</u>
	Deferred Tax Liabilities		
	On other timing differences on Depreciation	11148	13347
		<u>4679</u>	<u>24163</u>
7.	<i>Inventories</i>		
	(as taken, valued and certified by the management)		
	Stock-in-trade		
	Raw Materials	13254	21048
	Work-in-Progress	38895	39858
	Finished Goods	10874	7160
	Stores & Spare Parts	17483	18803
		<u>80506</u>	<u>86869</u>
8.	<i>Sundry Debtors</i>		
	(Unsecured)		
	Debts outstanding for a period exceeding six months		
	- considered good	2048	1775
	- considered doubtful	310	207
	Other debts		
	- considered good	123330	109772
		<u>125688</u>	<u>111754</u>
	Less : Provision for doubtful debts	310	207
		<u>125378</u>	<u>111547</u>
9.	<i>Cash & Bank Balances</i>		
	Cash in Hand	422	590
	Balance with scheduled Banks in		
	Current Account	9257	4476
	Cheques in Hand	—	2418
	Margin Money Accounts	12411	6460
		<u>22090</u>	<u>13944</u>
10.	<i>Loans & Advances</i>		
	(Unsecured, considered good)		
	Deposits	5819	6223
	Advance Payment of Income Tax	10917	5001
	Advances recoverable in cash or in kind or for value to be received	38983	27746
		<u>55719</u>	<u>38970</u>
11.	<i>Current Liabilities</i>		
	Sundry Creditors	39014	77219
	Deposits from Dealers	2463	4217
	Advances against Sales	4969	5327
	Other Liabilities	24402	19191
	Interest accrued but not due	2790	2090
	Investor Education & Protection Fund :		
	Unpaid Right Issue Account	44	90
		<u>73682</u>	<u>108134</u>

SCHEDULES



		(Rs. '000)	
		As At 31st March	
12.	<i>Provisions</i>		
	Provision for Impairment of Assets	1192	2666
	Provision for Income Tax	11422	5057
	Provision for Dividend	4700	–
	Provision for Dividend Distribution Tax	799	–
		<u>18113</u>	<u>7723</u>
13.	<i>Sales</i>		
	Sale of Manufactured Goods (Tax Deducted Rs.66602, previous year Rs. 57356)	1170306	1187086
		<u>1170306</u>	<u>1187086</u>
14.	<i>Increase / (Decrease) in Stock</i>		
	Opening Stock		
	Work in Progress	39858	59579
	Finished Goods	7160	5899
		<u>47018</u>	<u>65478</u>
	Closing Stock		
	Work in Progress	38895	39858
	Finished Goods	10874	7160
		<u>49769</u>	<u>47018</u>
	Increase / (Decrease) in Stock	<u>2751</u>	<u>(18460)</u>
15.	<i>Other Income</i>		
	Interest (Gross) (Tax Deducted Rs. 63105, previous year Rs. 109657)	758	896
	Miscellaneous Income	1116	1801
	Liabilities no longer payable written back	25	143
	Rent Received	45	43
	Dividend Received on Current Investments	105	–
	Profit on Sale of Current Investments	23	–
	Bad Debt Recovered	77	364
	Bad Debt Excess Provision Written Back	–	472
	Insurance Claim Received	79	–
		<u>2228</u>	<u>3719</u>
16.	<i>Manufacturing, Selling & Administrative Expenses</i>		
	Stores & Spares Consumed	10089	10760
	Power & Fuel	51875	41455
	Packing Expenses	8921	8958
	Freight & Forwarding Charges	10924	9768
	Salaries & Wages	43828	40172
	Employees Welfare Expenses	1080	1150
	Contribution to Provident Fund & Other Fund	4920	3792
	Rent, Rates & Taxes	3810	3095
	Insurance	719	1061
	Advertisement	609	108
	Repairs & Maintenance		
	Building	458	372
	Machinery	7920	8086
	Others	1045	1010
	Managing Director's Remuneration	2155	1500
	Directors Sitting Fees	217	136
	Bad Debts	1038	129
	Exchange Fluctuation	648	–
	Miscellaneous Expenses	17421	17089
	Loss on sale/discard of Fixed Assets (Net)	416	262
		<u>168093</u>	<u>148903</u>
	Less : Pre Operative Expenses transferred to Capital Work-in-Progress	2243	–
		<u>165850</u>	<u>148903</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.
- Leasehold land wherever lease period expires, is fully depreciated in the year in which the lease expires.

b. Pre-operative Expenses:

The expenses incurred for acquiring, erecting, commissioning and trial runs of fixed assets are transferred to pre-operative expenses and form a part of Capital Work-in-Progress. Pre-operative expenses directly identifiable with a particular fixed asset is charged to such asset and the balance distributed over the related fixed assets in proportion to their respective values.

c. Capital work-in-Progress:

These are stated at cost relating to items or projects in progress incurred during construction/installation /pre-operative period.

d. Investments:

Investments are classified into Current and Long Term Investment. Current Investments are stated at lower of cost and market / fair value. Long Term investments are stated at cost and permanent diminution in value, if any, is provided in the books of accounts.

e. 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.

f. Dies and Tools:

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

g. Sales:

Sales include excise duty wherever applicable.

h. Purchases:

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

i. Foreign Currency Expenditure:

Foreign currency expenditure is accounted for at the rates prevailing on the date of remittance. The monetary assets and liabilities in foreign currency existing at Balance Sheet date but settled before finalization of accounts are adjusted on the basis of actual rate of payment. In cases involving receipts/payments after finalization of accounts, the same are accounted for at prevailing exchange rate at the year end.

j. Employee Benefit:

- i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value

of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

k. **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.

l. **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.

m. **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 assets' 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.

n. **Proposed Dividend:**

Dividend (including Dividend Distribution Tax) recommended by the Board of Directors is provided for in the accounts pending Shareholders' approval.

o. **Capital Issue Expenses:**

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

p. **Hedging against metal inventory:**

The Company takes hedging position against its inventory of aluminium metal and for pending import contracts of aluminium metal, which is our principal raw material. The loss/gain from such hedged contracts is charged to consumption of raw material. All open contracts as on the year end are marked to market for all losses. However, any unrealized gain on open contracts is not accounted until actually realized.

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 2008 is Rs 899.31 lacs (Previous year Rs 4.36 lacs).
- b. Bank Guarantees outstanding Rs.116.62 lacs (previous year Rs.107.25 lacs) and Letters of Credit issued by Banks on behalf of the Company Rs 699.00 lacs (Previous year 521.85 lacs) against which Rs. 124.11 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 and Rs.21.42 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 2003-2004 and 2004-2005 against which the Company has preferred appeals before the higher authorities.
- d. Bills discounted with banks Rs 228.69 lacs (previous year Rs. 176.54 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 honorable 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.



- g. The Central Excise Department has raised a demand of Rs.3.07 lacs for the year 2004-05, against which the Company has preferred an appeal before the Commissioner Appeals, Central Excise.

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.1020.70 lacs which the Company has availed from State Bank of India, Axis Bank Ltd. and Allahabad Bank. A sum of Rs 100.00 lacs is repayable within next 12 months out of this loan amount.
- 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. A sum of Rs 39.25lacs is repayable within next 12 months out of this loan amount.
- c. Non-fund based working capital facilities of Rs.1020.70 lacs availed from State Bank of India, Axis Bank Ltd. 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. A sum of Rs 5.73 lacs is repayable within next 12 months towards loan amount.
- e. Loans from HDFC Bank are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 2.29 lacs is repayable within next 12 months towards loan amount.
- f. Buyer's Credit of Rs.315.31 lacs from State Bank of India which is funded by the Bank's overseas branches is secured by local branch of State Bank of India issuing letter of comfort by blocking Letter of Credit facility to that extent.

4. The lease period of a part comprising 3.08 acres of the company's factory land out of the total land area of 7.3171 acres at Kharagpur has expired and is pending renewal from West Bengal Industrial Infrastructure Development Corporation Ltd. (WBIIDC). The lease renewal is in process.

5. A. **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 48.51 lacs (previous year Rs.180.69 lacs) due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.

B. **Sundry Debtors include:**

- a. Nil (previous year Rs.4.06 lacs) due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.
- b. Rs.39.61 lacs (previous year Rs.15.21 lacs) due from a private company in which one Director of the Company is interested as a director.

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 31.03.2008, to the extent identified based on the available information, included under Current Liabilities is Rs 4.70 lacs (Previous Year 4.73 lacs). There is no outstanding exceeding Rs 1.00 lacs and for more than 30 days as on 31.03.2008 to Small Scale Industrial Undertakings.

- c. Some of the suppliers have informed the company of being registered under the Micro, Small and Medium Enterprises Development Act 2006. Payments to these parties are made in time as prescribed in the Act and there is no outstanding to these parties as on 31st March 2008.

8. **Employees Benefit:**

Employee Benefits have been provided as per provisions of Revised Accounting Standard 15 (AS15) issued by the Institute of Chartered Accountants of India with effect from 01.04.2007. The difference in opening balance of employee benefits as per the provision already made and as per revised AS15 has been adjusted with opening balance in Profit and Loss Account (decrease by Rs.8.55 lacs) and in Deferred Tax Assets (increase by Rs.4.34 lacs).

Defined Contribution Plan

(Rs. in lacs)

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

Employer's Contribution to Provident Fund	15.46
Employer's Contribution to Pension Fund	17.45

The Company contributes 12% of salary of all eligible employees towards Provident Fund managed by the Central Government.

Defined Benefit Plan

The employees' fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. **Reconciliation of opening and closing balances of Defined Benefit obligation**

	Gratuity (Funded)	Leave Encashment (Unfunded)
Defined Benefit obligation at beginning of the year	85.66	22.13
Current Service Cost	8.02	0.73
Interest Cost	7.93	—
Actuarial (gain)/loss	-1.38	2.02
Benefits paid	-7.73	—
Defined Benefit obligation at year end	92.50	24.88

II. **Reconciliation of opening and closing balances of fair value of plan assets**

	(Rs. in lacs)
Fair value of plan assets at beginning of the year	63.83
Employer contribution	11.32
Benefits paid	- 7.73
Actual return on plan assets	5.68
Fair value of plan assets at year end	73.10

III. **Reconciliation of fair value of assets and obligations**

	Gratuity (Funded)	Leave Encashment (Unfunded)
Fair value of plan assets as at 31 st March 2008	73.10	Nil
Present value of obligation as at 31 st March 2008	92.50	24.88
Amount recognized in Balance Sheet	19.40	24.88



IV. **Expense recognized during the year**

	Gratuity (Funded)	(Rs. in lacs) Leave Encashment (Unfunded)
Current Service Cost	8.02	0.73
Interest Cost	7.93	—
Expected Return on Plan Assets	-5.67	—
Net Actuarial (gain) / loss		
Recognized during the year	-0.60	5.22
Net Cost	9.68	5.95
Actual Return on Plan Assets	5.68	—

V. **Investment details**

Entire funded amount is invested in Group Gratuity Scheme of Life Insurance Corporation of India

VI. **Actuarial assumptions**

	Gratuity (Funded)	Leave encashment (Unfunded)
Mortality Table (LIC)	1994-96(Ultimate)	1994-96(Ultimate)
Discount rate (per annum)	7.50%	7.50%
Expected rate of return on plan assets (p.a.)	8.90%	0.00%
Rate of escalation in salary (p.a.)	5.00%	5.00%

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. This being the first year of implementation, previous year figures have not been given.

The expected rate of return on plan assets is determined considering several applicable factors mainly, the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

9. Previous year figure are regrouped and rearranged wherever considered necessary.

	MT	2007-08 Rs. Lacs	MT	2006-07 Rs. Lacs
10. 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)	6620		6410	
d) Stocks				
Opening				
Aluminium Extrusions	42	71.60	42	58.99
Closing				
Aluminium Extrusions	64	108.74	42	71.60
e) Turnover				
Aluminium Extrusions (1)	6597	11580.81	6410	11816.02
Others	—	122.25	—	54.83

(1) Includes 102.85 MT valued at Rs 28.77 lacs (previous year 109.03 MT valued at Rs. 26.51 lacs) on account of conversion

11	Raw Material Consumed				
	a) Aluminium Ingots, Billets etc	6495	7412.67	6020	7717.41
	b) Others	286	373.80	254	353.58
		%	Value	%	Value
			Rs. Lacs		Rs. Lacs
12	Value of Imported and Indigenous Goods consumed and percentage thereof:				
	Raw Material				
	Imported	4.62	360.12	1.63	131.23
	Indigenous	95.38	7426.35	98.37	7939.76
	Stores & Spares				
	(Including value of items consumed for manufacture of dies)				
	Imported	35.18	35.49	36.08	38.82
	Indigenous	64.82	65.40	63.92	68.78
13	CIF value of Imports				
	Raw material		335.46		119.72
	Stores & Spare parts		30.20		50.39
			<u>365.66</u>		<u>170.11</u>
14	Expenditure in Foreign Currency				
	Travel		2.15		5.44
15	FOB Value Of Export		—		3.59
16	a) Auditors' Remuneration				
	Audit Fees		1.05		0.75
	Tax Audit Fees		0.20		0.15
	VAT Audit Fees		—		0.08
	Other Services		0.48		0.30
			<u>1.73</u>		<u>1.28</u>
	b) Cost Audit Fees		<u>0.05</u>		<u>0.05</u>
17	Remuneration to Managing Director				
	Salary		12.00		12.00
	Perquisites		9.55		3.00
	Contribution to Provident Fund		1.44		1.44
			<u>22.99</u>		<u>16.44</u>
18	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		
	9	Vintage Securities Ltd.	Associated Concern		
	10	Kutir Udyog Kendra (India) 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
(ii)	Shri J. K. Malpani(Since 01/04/2007)	:	President
	<i>Relatives of Shri J.K. Malpani</i>		
	Smt Deepa Malpani	:	Wife
	Ms Shikha Malpani	:	Daughter

c) Disclosure of related party transactions:

				(Rs. lacs)
Current Year (2007-08)				Relatives of
Sr. No.	Nature of relationship transaction	Associated Concerns	Key Management Personnel	Key Management Personnel
1	Purchase of Goods	2,168.69	—	—
2	Sale of Goods	567.48	—	—
3	Rent Paid	7.18	—	—
4	Rent Received	0.36	—	—
5	Interest Paid	—	—	—
6	Sale of Fixed Assets	—	—	—
7	MD Remuneration	—	22.99	—
8	Remuneration to CEO & CFO	—	29.72	—
9	Remuneration to President	—	14.63	—
10	Directors Sitting Fees	—	—	0.50
Previous Year (2005-06)				Relatives of
Sr. No.	Nature of relationship transaction	Associated Concerns	Key Management Personnel	Key Management Personnel
1	Purchase of Goods	3,078.51	—	—
2	Sale of Goods	322.33	—	—
3	Rent Paid	—	—	0.84
4	Rent Received	0.30	—	—
5	Sale of Fixed Assets	—	—	—
6	MD Remuneration	—	16.44	—
7	Remuneration to CEO & CFO	—	19.62	—
8	Directors Sitting Fees	—	—	0.25

d) Outstanding balances as on :		(Rs.in lacs)	(Rs.in lacs)
		<u>31.3.2008</u>	<u>31.3.2007</u>
Loans & Advances			
Associated Concerns		83.51	219.30
Key Management Personnel & Relatives		—	—
Sundry Creditors			
Associated Concerns		—	—
Key Management Personnel & Relatives		—	—
Unsecured Loans			
Associated Concerns		—	—
Key Management Personnel & Relatives		—	—
Sundry Debtors			
Associated Concerns		45.78	4.06
Key Management Personnel & Relatives		—	—

19. Earnings per share (EPS) computed in accordance with Accounting Standard 20 :

		<u>2007-08</u>	<u>2006-07</u>
Profit for the year	(Rs.in lacs)	566.40	380.08
Settlement of Right of Recompense		—	(102.75)
Excess Provision of Income Tax written back		—	0.15
Income Tax		(63.65)	(31.00)
Fringe Benefit Tax		(3.56)	(3.17)
Deferred Tax Assets		(199.18)	(25.63)
Net Profit		300.01	217.68
Equity Shares	(Number in lacs)	470	470
Basic and diluted earnings per share	(Rs.)	0.64	0.46



20. 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 2008		
	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	269059	Total Assets	269059
-------------------	--------	--------------	--------

Sources of Funds

Paid-up Capital	47000	Reserves & Surplus	74699
Secured Loans	114599	Unsecured Loans	32761

Application of Funds

Net Fixed Assets	72482	Investments	N I L
Net Current Assets	191898	Deferred Tax Assets	4679
Misc. Expenditure	N I L		

IV Performance of Company (Rs.'000)

Turnover	1014670	Total Expenditure	958030
Profit/Loss Before Tax	<input checked="" type="checkbox"/> (+) <input type="checkbox"/> (-) 56640	Profit/Loss After Tax	<input checked="" type="checkbox"/> (+) <input type="checkbox"/> (-) 30001
“(Please tick Appropriate box + for Profit, - for Loss)”			
Earning per share in Rs.	0.64	Dividend @%	10

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 form an integral part of the Accounts.

As per our report of even date attached

For ALPS & CO

Chartered Accountants

A K Khetawat

Partner

Kolkata

Dated : 28th day of April, 2008

M P Jhunjhunwala

Chairman & Managing Director

Kailash Baheti

Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay

Company Secretary

Vikram Jhunjhunwala

M G Todi

R N Das

P K Sengupta

Directors