

BALANCE SHEET

(Rs. '000)
As At 31st March

	Schedule	2005	2004
SOURCES OF FUNDS			
<i>Shareholder's Fund</i>			
Share Capital	1	12000	12000
Reserves & Surplus	2	—	—
<i>Loan Funds</i>			
Secured Loans	3	81966	59964
Unsecured Loans	4	80378	122403
Total		174344	194367
APPLICATION OF FUNDS			
<i>Fixed Assets</i>			
Gross Block	5	211761	211070
Less : Depreciation		134380	125174
Net Block		77381	85896
Capital Work-in-Progress		226	—
		77607	85896
<i>Investments</i>	6	1	1
<i>Current Assets, Loans & Advances</i>			
Inventories	7	67599	56009
Sundry Debtors	8	64402	43829
Cash & Bank Balances	9	13393	6547
Loans & Advances	10	20861	10658
		166255	117043
<i>Less : Current Liabilities & Provisions</i>			
Current Liabilities	11	91957	48586
Provisions	12	6268	15
		98225	48601
<i>Net Current Assets</i>		68030	68442
<i>Profit & Loss Account</i>			
Debit Balance as per Profit and Loss Account		28706	40028
		28706	40028
Total		174344	194367

Accounting Policies and
Notes on Accounts

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The Schedules referred to above form part of the Accounts

As per our report of even date attached

for **KHETAWAT & ASSOCIATES**

Chartered Accountants

M. P. Jhunjhunwala
Chairman & Managing Director

A K Akhetawat

Partner
Membership No. 052751

Vikram Jhunjhunwala
R K Datta

Kolkata
Dated : 15th day of June, 2005

Sumit Modi
Company Secretary

P K Sengupta
Directors

		(Rs. ' 000)	
		As At 31st March	
		2005	2004
1. <i>Share Capital</i>			
Authorised			
120,000,000 Equity Shares of Re.1/- each		<u>120000</u>	<u>120000</u>
		<u>120000</u>	<u>120000</u>
<i>Issued Subscribed & Paid-up</i>			
12,000,000 Equity Shares of Re. 1/- each		<u>12000</u>	<u>12000</u>
		<u>12000</u>	<u>12000</u>
2. <i>Reserves & Surplus</i>			
Capital Reserve	-		4196
Less: Transfer to Profit & Loss A/c	-	-	4196
	-	-	-
Share Premium Account	-		10000
Less: Transfer to Profit & Loss A/c	-	-	10000
	-	-	-
General Reserve :			
As per the last Balance Sheet	-		4000
Less: Transfer to Profit & Loss A/c	-	-	4000
	-	-	-
	-	-	-
3. <i>Secured Loans</i>			
Term Loan from :			
Govt. of West Bengal		50000	-
ICICI Bank		566	-
Sales Tax Loan		31400	-
In Settlement Account with :			
Allahabad Bank	-		23964
State Bank of India	-		36000
	-	<u>81966</u>	<u>59964</u>
4. <i>Unsecured Loans</i>			
From Bodies Corporate		34550	42400
From a Director		5500	5500
West Bengal Industrial Development Corpn. Ltd	-		141
Deferred Sales Tax		<u>40328</u>	<u>74362</u>
		<u>80378</u>	<u>122403</u>

Note :

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

PARTICULARS	COST		DEPRECIATION		NET BLOCK	
	As at 01.04.2004	Addition	Up to 31.03.2004	For the Year	Up to 31.03.2005	As at 31.03.2004
Leasehold Land (inclusive of site Development)	1,492	-	-	-	1,492	1,492
Freehold Land	202	-	-	-	141	202
Buildings	49,036	-	14,700	1,509	32,827	34,336
Plant & Machinery	131,202	416	93,650	7,152	30,816	37,552
Electric Installation	11,502	-	6,305	546	4,651	5,197
Vehicles	2,090	1,402	1,469	207	1,484	621
Furniture & Fittings	5,983	48	3,239	349	2,443	2,744
Office Equipments	9,563	445	5,811	647	3,527	3,752
Total	211,070	2,311	125,174	10,410	77,381	85,896
Previous Year	214,101	993	117,006	9,641		
Capital Work in Progress					226	-

6. *Investments*

(Rs. '000)

	Face Value Rs.	No. of Shares	Amount	No. of Shares	Amount
Long Term - Trade Unquoted Equity Shares Sangam Aluminium Ltd	10	300000	1	300000	1
			<u>1</u>		<u>1</u>
7. <i>Inventories</i> (as taken, valued and certified by the management)					
Stock-in-trade					
Raw Materials			21999		809
Work-in-Progress			15389		17589
Finished Goods			3374		5301
Stores & Spare Parts			26837		32310
			<u>67599</u>		<u>56009</u>
8. <i>Sundry Debtors</i> (Unsecured)					
Debts outstanding for a period exceeding six months					
– considered good			2576		3289
– considered doubtful			1273		753
Other debts					
– considered good			61826		40540
			<u>65675</u>		<u>44582</u>
Less : Provision for doubtful debts			1273		753
			<u>64402</u>		<u>43829</u>
9. <i>Cash & Bank Balances</i>					
Cash in Hand			343		334
Balance with scheduled Banks in					
Current Account			1342		2441
Cheques in Hand			5178		2067
Margin Money Accounts			6530		1705
			<u>13393</u>		<u>6547</u>

(Rs. ' 000)
As At 31st March

10. <i>Loans & Advances</i> (Unsecured, considered good)	2005	2004
Deposits	6854	7176
Advance Payment of Income Tax	136	184
Advances recoverable in cash or in kind or for value to be received	13871	3,298
	<u>20861</u>	<u>10658</u>
11. <i>Current Liabilities</i>		
Sundry Creditors	65247	18365
Deposits from Dealers	5259	8774
Advances against Sales	2050	7728
Other Liabilities	17301	13541
Unclaimed Dividend	–	178
Interest accrued but not due	2100	–
	<u>91957</u>	<u>48586</u>
12. <i>Provisions</i>		
Provision for Impairment of Assets	6253	–
Provision for Income Tax	15	15
	<u>6268</u>	<u>15</u>

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, Leasedhold 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. Investments:

Long Term Investments are stated at cost less amount written off by debiting Profit & Loss Account when there is other than temporary diminution in value on individual investment.

c. Inventories:

Inventories are valued as under:

- Raw material and Stores at cost on First-in-First out (FIFO) basis.
- Work-in-progress at cost including related manufacturing overheads.
- Finished goods at lower of cost or net realizable value. Cost includes related manufacturing overheads. Cost or net realizable value also includes excise duty paid /payable on such goods.

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

d. Dies and Tools:

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

e. Sales:

Sales include excise duty wherever applicable.

f. 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.

g. 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.

h. 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 accrued liability towards leave encashment benefit payable to employees is recognized as revenue charge in the accounts.

i. 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.

j. 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.

k. 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.

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 2005 is Rs 3.79 lacs (Previous year Rs Nil)
- b. Bank Guarantees outstanding Rs.41.40 lacs (previous year Rs.42.09 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 500.00 lacs (Previous year nil) against which Rs. 65.30 lacs (previous year Rs.17.05 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.10.05 lacs, and Rs 2.89 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 1999-2000, and 2001-2002 against which the Company has referred appeals before the higher authorities.
- d. Bills discounted with banks Rs.133.35 lacs (previous year Rs.71.91 lacs).

- e. The Company had done a one time settlement of its entire outstandings of Term Loan and Working Capital dues to its banks viz. State Bank of India and Allahabad Bank whereby the banks had waived a part of the outstanding amount. One of the conditions of waiver by Banks was a 'Right of Recompense' of Rs.2.43 crores to State Bank of India and Rs. 1.69 crores to Allahabad Bank.
- f. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.104.41 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.

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) Loan from ICICI Bank is secured by hypothecation of vehicle purchased out of the said loan. Rs 1.36 lacs is repayable within next 12 months towards loan amount.

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.0.10 (previous year Rs.0.10 lacs) being security deposit made to the relative of the Directors of the Company.
5. The Company had deferred tax assets of Rs.503 lacs as on 31st March 2005. The industry scenario does not provide any certainty that company would have significant future taxable income to realize the benefit of such deferred tax assets. Hence, no provision has been made for the same.

6. In view of the past brought forward losses and the company being a sick industrial company, no income tax liability has arisen for the current financial year.
7. The total dues outstanding to Small Scale Industrial Undertakings as at 31.3.2005, to the extent identified based on the available information, included under Current Liabilities is Rs 3.61 lacs (Previous Year nil). There are no dues to Small Scale Industrial Undertakings outstanding exceeding Rs 1.00 lacs and more than 30 days as on 31.3.2005.
8. a) The Board for Industrial and Financial Reconstruction (BIFR) had, at its hearing held on 30.12.2002, declared the Company to be a sick industrial company within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The BIFR has since approved a rehabilitation scheme under Section 17(2) of SICA vide its order dated 27.08.2003 which is under implementation.
- b) In accordance with terms of the BIFR approved rehabilitation scheme, the Company's Paid Up Equity Share Capital was reduced from Rs.1200lacs (Rupees Twelve crores only) to Rs.120 lacs(Rupees One crore twelve lacs only) by way of reduction of each equity share of face value of Rs.10/- each fully paid up to one equity share of face of Re.1/- each fully paid up. Such reduction in Equity Capital amounting to Rs.1080 lacs (Rupees Ten crores eighty lacs only) was adjusted with the accumulated losses. Similarly, the Capital Reserve of Rs.41.96 lacs (Rupees Forty one lacs ninety six thousand only), Share Premium Account of Rs.100 lacs (Rupees One crore only) and balance in General Reserve of Rs.40 lacs (Rupees Forty lacs only) were also adjusted with the accumulated losses. Such reduction in Capital was effected on 30th October 2003.
- c) As part of the Rehabilitation Scheme, the Company was to raise a sum of Rs.350 lacs by way of 'Rights Issue' of Equity Shares. The Rights Issue was approved by the members of the Company at the Extraordinary general meeting held on 31.10.2003. The Rights Issue was delayed beyond the last date specified by the BIFR for reasons beyond control of the Company. The Lead Managers appointed by the Company for the Rights Issue have filed the Draft Letter of Offer with Securities And Exchange Board Of India (SEBI) and the SEBI approval is awaited. Pending receipt of money by way of Rights Equity Issue, the Company raised unsecured loan to meet its commitments under the Rehabilitation Scheme.
- d) As per the BIFR approved Rehabilitation Scheme, the Company is eligible to a 30% concession in power tariff from West Bengal State Electricity Board (WBSEB) for a period of three years beginning from 27th August, 2003 to 26th August, 2006. The said concession was unilaterally withdrawn by WBSEB with effect from 1st April 2004. The said benefit has been restored to the company with retrospective effect vide Notification No 276-CI/O/Incentive/052/05/1 dated 19.5.2005 issued by the Government of West Bengal. Accordingly, the Company has made provision for the amount of concession receivable from Government of West Bengal, in preparation of accounts for the current financial year.
- e) The company has continued its normal manufacturing operation during the year under review. Hence, the accounts are prepared on a going concern basis.
9. The Institute of Chartered Accountants of India has made the Accounting Standard (AS 28) on Impairment of Assets mandatory w.e.f. 1st April 2004. Accordingly, the impairment in value of assets as assessed as on 31st March 2005 has been duly provided for.

		2004-2005		2003-2004	
		MT	Rs. Lacs	MT	Rs. Lacs
10	Licensed & Installed Capacity, Production, Stocks and Turnover: Class of Goods - Aluminium Extrusions				
	a) Licensed Capacity since delicensed				
	b) Installed Capacity	9000		9000	
	(As certified by Management)				
	c) Production (1)	6582		6376	
	d) Stocks				
	Opening				
	Aluminium Extrusions	44	53.01	31	36.15
	Closing				
	Aluminium Extrusions	27	33.74	44	53.01
	e) Turnover				
	Aluminium Extrusions (1)	6599	8244.19	6363	7487.95
	Others	-	47.27	-	48.18
	(1) Includes 703.18 MT valued at Rs 91.60 Lacs (previous year 187.21 MT valued at Rs. 27.59 lacs) on account of conversion				
11	Raw Material Consumed				
	a) Aluminium Ingots & Billets	6700.99	5593.05	6375.21	5405.99
	b) Others	53.11	55.06	48.76	44.26
		%	Value	%	Value
			Rs. in Lacs		Rs. in Lacs
12	Value of Imported and Indigenous Goods consumed and percentage thereof:				
	Raw Material				
	Imported	0.03	1.64	-	-
	Indigenous	99.97	5646.47	100	5450.25
	Stores & Spares				
	(Including value of items consumed for manufacture of dies)				
	Imported	29.64	34.68	19.65	35.41
	Indigenous	70.36	82.31	80.35	144.77
13	CIF value of Imports				
	Raw material		3.77		0.34
	Stores & Spare parts		29.71		37.17
			33.48		37.51
14	Expenditure in Foreign Currency				
	Travel		0.72		0.42
15	FOB Value Of Export		0.13		10.02

16	a)	Auditors' Remuneration		
		Audit Fees	0.75	0.54
		Tax Audit Fees	0.15	0.12
		Other Services	0.43	0.26
			<u>1.33</u>	<u>0.92</u>
	b)	Cost Audit Fees	0.05	0.05
17		Remuneration to Managing Director		
		Salary	5.07	3.60
		Perquisites	4.46	2.17
		Contribution to Provident Fund	0.61	0.43
			<u>10.14</u>	<u>6.20</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	Ensa Properties & Finance Pvt. Ltd.	Associated Concern
4	Paramsukh Properties Pvt. Ltd.	Associated Concern
5	Dhruv Metals Pvt. Ltd.	Associated Concern
6	Jeco Exports and Finance Ltd	Associated Concern
7	Century NF Castings Ltd.	Associated Concern
8	Multi Metal Udyog	Associated Concern
9	Nandadevi Sales Agency	Associated Concern

b) Key Management Personnel & their relatives

Shri M P Jhunjunwala : Chairman & Managing Director

Relatives of Shri M P Jhunjunwala

Smt. Sita Devi Jhunjunwala	:	Wife
Shri Vikram Jhunjunwala	:	Son
Smt. Saroj Saraf	:	Daughter
Smt. Shashi Khaitan	:	Daughter
Smt. Sarita Modi	:	Daughter

c) Disclosure of related party transactions:

(Rs.in lacs)

Sr. No.	Nature of relationship	Associated Concerns	Key Management Personnel	Relatives of Key Management Personnel
1	Purchase of Goods	5,009.84	—	—
2	Sale of Goods	167.52	—	—
3	Rent Paid	7.63	—	0.28
4	Interest Paid	0.24	—	—

d) Outstanding balances as on 31st March, 2004

(Rs.in lacs)

Loans & Advances

Associated Concerns 35.00

Key Management Personnel & Relatives —

Sundry Creditors

Associated Concerns 174.94

Key Management Personnel & Relatives —

Unsecured Loans

Associated Concerns —

Key Management Personnel & Relatives 55.00

Sundry Debtors

Associated Concerns —

Key Management Personnel & Relatives —

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

		<u>2004-05</u>	<u>2003-04</u>
Profit / (Loss) for the year	(Rs.in lacs)	114.63	(226.32)
Prior period adjustment		(1.41)	(3.25)
Income Tax		—	(0.15)
Waiver on settlement dues with banks		—	1284.87
Net Profit / (Loss)		113.22	1055.15
Weighted average number of Equity Shares outstanding	(Number in lacs)	120	120
Basic and diluted earnings per share	(Rs.)	0.94	8.79

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.	43705	State Code	21
Balance Sheet Date	31.03.2005		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	174344	Total Assests	174344
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Sources of Funds

Paid-up Capital	12000	Reserves & Surplus	NIL
Secured Loans	81966	Unsecured Loans	80378
Application of Funds			
Net Fixed Assets	77607	Investments	1
Net Current Assets	68030	Misc. Expenditure	NIL
Accumulated Losses	28706		

IV Performance of Company (Rs.'000)

Turnover	714410	Total Expenditure	703088
Profit/Loss Before Tax	<input checked="" type="checkbox"/> + <input type="checkbox"/> - 11322	Profit/Loss After Tax	<input checked="" type="checkbox"/> + <input type="checkbox"/> - 11322
“(Please tick Appropriate box + for Profit, – for Loss)”			
Earning per share in Rs.	0.94	Dividend @%	NIL

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 **KHETAWAT & ASSOCIATES**
Chartered Accountants

A K Akhetawat

Partner
Membership No. 052751

Kolkata
Dated : 15th day of June, 2005

M. P. Jhunjunwala
Chairman & Managing Director

Vikram Jhunjunwala

R K Datta

P K Sengupta

Directors

Sumit Modi
Company Secretary