

BALANCE SHEET

	Schedule	2006	(Rs. '000) As At 31st March 2005
SOURCES OF FUNDS			
<i>Shareholder's Fund</i>			
Share Capital	1	47000	12000
Reserves & Surplus	2	29283	—
<i>Loan Funds</i>			
Secured Loans	3	83288	81966
Unsecured Loans	4	36966	80378
Total		196537	174344
APPLICATION OF FUNDS			
<i>Fixed Assets</i>			
Gross Block	5	208798	211761
Less : Depreciation		136352	134380
Net Block		72446	77381
Capital Work-in-Progress		1156	226
		73602	77607
<i>Investments</i>	6	—	1
<i>Deferred Tax Assets</i>	7	26726	—
<i>Current Assets, Loans & Advances</i>			
Inventories	8	112542	67599
Sundry Debtors	9	74858	64402
Cash & Bank Balances	10	10693	13393
Loans & Advances	11	30094	20861
		228187	166255
<i>Less : Current Liabilities & Provisions</i>			
Current Liabilities	12	124558	91957
Provisions	13	7420	6268
		131978	98225
<i>Net Current Assets</i>		96209	68030
<i>Profit & Loss Account</i>			
Debit Balance as per Profit and Loss Account		—	28706
Total		196537	174344

Accounting Policies and
Notes on Accounts 18

The Schedules referred to above form part of the Accounts

As per our report of even date attached

for **KHETAWAT & ASSOCIATES**

Chartered Accountants

A K Akhetawat

Partner

Membership No. 052751

Kolkata

Dated : 31st day of May, 2006

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M. P. Jhunjhunwala
Chairman & Managing Director

R N Das

M G Todi

P K Sengupta

V K Mushran

Vikram Jhunjhunwala

Directors

		(Rs. '000)	
		As At 31st March	
		2006	2005
1.	<i>Share Capital</i>		
	Authorised		
	120,000,000 Equity Shares of Re.1/- each	120000	120000
		<u>120000</u>	<u>120000</u>
	<i>Issued Subscribed & Paid-up</i>		
	47,000,000 Equity Shares of Rs. 1/- each (Previous year 12,000,000 Equity Shares of Re. 1/- each)	47000	12000
		<u>47000</u>	<u>12000</u>
2.	<i>Reserves & Surplus</i>		
	Profit & Loss Account	29283	—
3.	<i>Secured Loans</i>		
	Term Loan from :		
	Govt. of West Bengal	50000	50000
	ICICI Bank	1888	566
	Sales Tax Loan	31400	31400
		<u>83288</u>	<u>81966</u>
4.	<i>Unsecured Loans</i>		
	From Bodies Corporate	500	34550
	From a Director	—	5500
	Deferred Sales Tax	36466	40328
		<u>36966</u>	<u>80378</u>

Note :

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

5. Fixed Assets

PARTICULARS	COST			DEPRECIATION			NET BLOCK	
	As at 01.04.2005	Addition	Sales/ Adjustment	As at 31.03.2006	Up to 31.03.2005	For the Year	Sales/ Adjust- ment	Up to 31.03.2006
Leasehold Land (inclusive of site Development)	1,492	-	-	1,492	-	-	-	-
Freehold Land	141	-	141	-	-	-	-	-
Buildings	49,036	-	-	49,036	16,209	1,509	-	17,718
Plant & Machinery	131,618	2,435	8,322	125,731	100,802	6,490	7,701	99,591
Electric Installation	11,502	-	-	11,502	6,851	546	-	7,397
Vehicles	2,098	2,325	26	4,397	614	262	23	853
Furniture & Fittings	6,031	247	-	6,278	3,588	334	-	3,922
Office Equipments	9,843	674	155	10,362	6,316	639	84	6,871
Total	211,761	5,681	8,644	208,798	134,380	9,780	7,808	136,352
Previous Year	211,070	2,311	1,620	211,761	125,174	10,410	1,204	134,380
Capital Work-in-Progress								
					1,156			226

		(Rs. '000)	
		No. of Shares	Amount
6. Investments			
Long Term - Trade			
Unquoted - Equity Shares			
Sangam Aluminium Ltd.			
(Face Value – Rs. 10/-)	—	300000	1
			1
7. Deferred Tax			
Deferred Tax Assets			
On Unabsorbed Losses & Unabsorbed Depreciation	45795		—
On other timing difference	787		—
	46582		—
Deferred Tax Liabilities			
On timing differences on Depreciation	19856		—
	26726		—
8. Inventories			
(as taken, valued and certified by the management)			
Stock-in-trade			
Raw Materials	25285		21999
Work-in-Progress	59579		15389
Finished Goods	5899		3374
Stores & Spare Parts	21779		26837
	112542		67599
9. Sundry Debtors			
(Unsecured)			
Debts outstanding for a period exceeding six months			
— considered good	3335		2576
— considered doubtful	1390		1273
Other debts			
— considered good	71523		61826
	76248		65675
Less : Provision for doubtful debts	1390		1273
	74858		64402

	(Rs. ' 000)	
	As At 31st March	
	2006	2005
10. <i>Cash & Bank Balances</i>		
Cash in Hand	322	343
Balance with scheduled Banks in		
Current Account	1370	1342
Cheques in Hand	2541	5178
Margin Money Accounts	6460	6530
	<u>10693</u>	<u>13393</u>
11. <i>Loans & Advances</i>		
(Unsecured, considered good)		
Deposits	5671	6854
Advance Payment of Income Tax	2301	136
Advances recoverable in cash or in kind		
or for value to be received	22122	13871
	<u>30094</u>	<u>20861</u>
12. <i>Current Liabilities</i>		
Sundry Creditors	97368	65247
Deposits from Dealers	4415	5259
Advances against Sales	3173	2050
Other Liabilities	16803	17301
Interest accrued but not due	2422	2100
Investor Education & Protection Fund :		
Unpaid Right Issue Account	377	—
	<u>124558</u>	<u>91957</u>
13. <i>Provisions</i>		
Provision for Impairment of Assets	4728	6253
Provision for Income Tax	1972	15
Provision for Fringe Benefit Tax	720	—
	<u>7420</u>	<u>6268</u>

18. 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 whenever 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.

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

l. Capital Issue Expenses

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

2. Contingent Liabilities not provided in respect of:

- a. Estimated amount of contracts (net of advance) remaining to be executed on Capital

Account and not provided for as on 31st March 2006 is Rs 1.27lacs (Previous year Rs 3.79 lacs).

- b. Bank Guarantees outstanding Rs 72.20 lacs (previous year Rs.41.40 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 568 lacs (Previous year 500.00) against which Rs.64.60 lacs (previous year Rs.65.30 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 12.90 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, and 2002-2003 against which the Company has preferred appeals before the higher authorities.
- d. Bills discounted with banks Rs 180.61 lacs (previous year Rs.133.35 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.108.81 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.
- g. The Commercial Tax Officer has not allowed input tax credit under West Bengal Value Added Tax Act of Rs.0.51 lacs on account of sales tax paid on opening stock of stores and spares. The Company has preferred a revision application before the Deputy Commissioner, Commercial Taxes.

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

- a) Term Loan of Rs.500 lacs from Govt. of West Bengal is secured by first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with non-fund based facility of Rs.652 lacs which the Company has availed from State Bank of India and Allahabad Bank.
- b) Term Loan of Rs.314 lacs from Govt. of West Bengal is secured by way of residuary charge on all the immovable properties and a residuary charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal,
- c) Non-fund based working capital facilities of Rs.652 lacs availed from State Bank of India and Allahabad Bank are secured -

- i) By first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with Govt. of West Bengal for Term Loan of Rs.500 lacs.
- ii) By first charge by hypothecation of stocks, book debts and other current assets.
- iii) By personal guarantees of the Chairman & Managing Director and one other Director of the Company.
- d) Loans from ICICI Bank is secured by hypothecation of vehicles purchased out of the said loan. Rs 5.35 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. Nil (previous year Rs.0.10 lacs) being security deposit made to the relative of the Directors of the Company.
5. In view of the brought forward losses under Income Tax, the Company is liable to pay only the Minimum Alternate Tax.
- 6 The total dues outstanding to Small Scale Industrial Undertakings as at 31.3.2006, to the extent identified based on the available information, included under Current Liabilities is Rs 6.12lacs (Previous Year 3.61 lacs). There are no dues to Small Scale Industrial Undertakings outstanding exceeding Rs 1.00 lacs and more than 30 days as on 31.3.2006.
7. Since the accumulated losses have been wiped out, the Company has made an application for de-registration as a sick company from the Board for Industrial and Financial Reconstruction (BIFR).
8. The Company has raised a sum of Rs.350 lacs by way of 'Rights Issue' of Equity Shares. The money was raised to part finance the Cost of Scheme as per the BIFR approved rehabilitation scheme, and was accordingly utilized. The Allotment of equity shares was completed on 11th November 2005.
9. Input tax credit available under West Bengal Value Added Tax Act on opening stock has been reduced from opening inventories as follows:

Raw Materials	:	Rs. 3.36 lacs
Work-in-Progress	:	Rs. 0.82 lacs
Finished Goods	:	Rs. 3.71 lacs
Stores & Spare Parts	:	Rs. 0.51 lacs

		2005-2006		2004-2005	
		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	7500		9000	
	(As certified by Management)				
	c) Production				
	Aluminium Extrusions (1)	6633		6582	
	d) Stocks				
	Opening				
	Aluminium Extrusions	27	33.74	44	53.01
	Closing				
	Aluminium Extrusions	42	58.99	27	33.74
	e) Turnover				
	Aluminium Extrusions (1)	6618	9630.91	6599	8244.19
	Others	—	46.82	—	47.27
	(1) Includes 244.271 MT valued at Rs 37.60 Lacs (previous year 703.18 MT valued at Rs. 91.60 lacs) on account of conversion				
11	Raw Material Consumed				
	a) Aluminium Ingots & Billets	7090.11	6957.49	6700.99	5593.05
	b) Others	80.07	84.01	53.11	55.06
		%	Value	%	Value
			Rs. in Lacs		Rs. in Lacs
12	Value of Imported and Indigenous Goods consumed and percentage thereof:				
	Raw Material				
	Imported	2.06	145.39	0.03	1.64
	Indigenous	97.94	6896.11	99.97	5646.47
	Stores & Spares				
	(Including value of items consumed for manufacture of dies)				
	Imported	31.56	42.73	29.64	34.68
	Indigenous	68.44	92.66	70.36	82.31
13	CIF value of Imports				
	Raw material		136.09		3.77
	Stores & Spare parts		44.77		29.71
			180.86		33.48
14	Expenditure in Foreign Currency				
	Travel		0.66		0.72
	Interest		0.14		—

15	FOB Value Of Export	Nil	0.13
16	a) Auditors' Remuneration		
	Audit Fees	0.75	0.75
	Tax Audit Fees	0.15	0.15
	Other Services	0.33	0.43
		1.23	1.33
	b) Cost Audit Fees	0.05	0.05
17	Remuneration to Managing Director		
	Salary	6.00	5.07
	Perquisites	5.37	4.46
	Contribution to Provident Fund	0.72	0.61
		12.09	10.14
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		
	(i) 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	
	(ii) Shri Kailash Baheti : Chief Executive Officer & Chief Financial Officer		
	Relatives of Shri Kailash Baheti :		
	Shri Shankar Lal Baheti	: Father	
	Smt. Bimla Devi Baheti	: Mother	
	Smt. Shashi Baheti	: Wife	
	Ms. Ankita Baheti	: Daughter	
	Ms. Apoorva Baheti	: Daughter	

c) Disclosure of related party transactions:

Sr. No.	Nature of relationship transaction	Associated Concerns	Key Management Personnel	(Rs. in lacs)
				Relatives of Key Management Personnel
1	Purchase of Goods	4,089.16	—	—
2	Sale of Goods	126.56	—	—
3	Rent Paid	5.53	—	0.42
4	Interest Paid	0.24	—	—
5	Sale of Fixed Assets	2.26	—	—
6	MD Remuneration	—	12.09	—
7	Remuneration to CEO & CFO	—	9.85	—

d) Outstanding balances as on 31st March, 2006

	(Rs.in lacs)
Loans & Advances	
Associated Concerns	35.00
Key Management Personnel & Relatives	—
Sundry Creditors	
Associated Concerns	116.46
Key Management Personnel & Relatives	—
Unsecured Loans	
Associated Concerns	—
Key Management Personnel & Relatives	—
Sundry Debtors	
Associated Concerns	—
Key Management Personnel & Relatives	—

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

	2005-06	2004-05
Profit for the year (Rs.in lacs)	338.15	114.63
Prior period adjustment	1.25	(1.41)
Provision for Taxation :		
Income Tax	(19.57)	—
Fringe Benefit Tax	(7.20)	—
Deferred Tax Assets	267.26	—
Net Profit / (Loss)	579.89	113.22
* Weighted average number of Equity Shares outstanding (Number in lacs)	255	120
Basic and diluted earnings per share (Rs.)	2.27	0.94
Number of shares outstanding from 1.4.2005 to 10.11.2005	120 lacs	
Number of shares outstanding from 11.11.2005 to 31.3.2006	470 lacs	
* Weighted average number of Equity Shares outstanding	255 lacs	

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	31.03.2006		

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

Public Issue	NIL	Rights Issue	35000
Bonus Issue	NIL	Private Placement	NIL

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

Total Liabilities	196537	Total Assests	196537
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Sources of Funds

Paid-up Capital	47000	Reserves & Surplus	29283
Secured Loans	83288	Unsecured Loans	36966

Application of Funds

Net Fixed Assets	73602	Investments	NIL
Net Current Assets	96209	Misc. Expenditure	NIL
Accumulated Losses	NIL	Deferred Tax Assets	26726

IV Performance of Company (Rs. '000)

Turnover	834950	Total Expenditure	801010
Profit/Loss Before Tax	<input checked="" type="checkbox"/> 33940	Profit/Loss After Tax	<input checked="" type="checkbox"/> 57989
“(Please tick Appropriate box + for Profit, – for Loss)”			
Earning per share in Rs.	2.27	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 18 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 : 31st day of May, 2006

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Sumit Modi
Company Secretary

M. P. Jhunjhunwala
Chairman & Managing Director

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