

CENTURY EXTRUSIONS LIMITED

BOARD OF DIRECTORS

M G Todi
R N Das
V K Mushran
R K Sharma
Vikram 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 Accountants
11A, Dover Lane
Kolkata-700029

REGISTRAR & SHARE TRANSFER AGENTS

C B Management Services Pvt. Ltd.
P-22, Bondel Road, Kolkata-700019

BANKERS

State Bank of India
Axis Bank Limited

REGISTERED OFFICE

113, Park Street, 'N' Block
2ND Floor, Kolkata-700016

WORKS

WBIIDC Industrial Growth Centre
Plot No. 7A, Sector-B
P.O. Rakhajungle, Pin-721301
Nimpura, Kharagpur
Dist. West Midnapore (WB)

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NOTICE is hereby given that the 22nd Annual General Meeting of the Members of Century Extrusions Limited will be held on Friday, 30th July 2010 at 11.00 A.M. at Bharatiya Bhasha Parishad (Sitaram Seksaria Auditorium), 36A, Shakespeare Sarani, Kolkata-700017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March 2010, 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, 2010.
3. To appoint a Director in place of Mr. Vikram Jhunjunwala 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.

SPECIAL BUSINESS

6. To consider and if thought fit to pass, with or without modification, the following resolution as an Ordinary resolution:

“RESOLVED THAT Mr. R. K. Sharma who was appointed as an Additional Director of the Company by the Board of Directors under section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

7. To consider and if thought fit to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 198, 269, 309, 310, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the said Act as amended and subject to such permissions, consents and approvals from various authorities as may be required and subject to such

conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and which the Board of Directors is hereby authorized to accept, the Company hereby accords its consent and approval to the revision in remuneration payable to the Chairman and Managing Director, Shri MP Jhunjunwala for the period from 01.04.2010 upto 20.08.2012 being remaining period of his appointment, from the present level of an aggregate remuneration of Rs.36 lacs per annum to the following:

I. Remuneration

a) Salary

Rs. 3,50,000 per month

PART-A

b) Perquisites

(i) Housing

Rent free furnished accommodation or House rent allowance @ 40% of salary

(ii) Medical Reimbursement

Reimbursement of medical expenses to the extent of Rs.15,000 p.a.

(iii) Leave Travel Concession

Reimbursement of leave travel expenses incurred for self and family in accordance with the Rules of the Company upto a maximum of Rs.1,00,000 per annum.

(iv) Club Membership

Annual subscription fees subject to a maximum of two clubs.

(v) Personal Accident Insurance

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

PART-B

(vi) Gratuity: Gratuity at the rate of half-month's salary for each completed year of service.

(vii) Contribution to Provident Fund

The Company's contribution to Provident Fund not exceeding 12% of salary

(viii) Leave: Leave with full pay or encashment thereof as per the Rules of the Company

Explanation:

Perquisites shall be evaluated as per Income tax Rules,



whenever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.

c) Amenities

(i) Conveyance Facilities

The Company shall provide suitable vehicle. All the repairs, maintenance and running expenses including driver's salary shall be reimbursed by the Company.

(ii) Telephone, telex and other communication facilities

The Company shall provide telephone, telefax and other communication facilities at the Managing Director's residence. The Company shall reimburse all the expenses incurred.

Sitting Fees

Shri MP Jhunjunwala will not be paid any sitting fees for attending the meetings of the Board of Directors or any Committee thereof. He will be reimbursed the entertainment and other expenses actually incurred for the business of the Company subject to such limits as may be fixed by the Board from time to time.

II. Minimum Remuneration

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service agreement of the Managing Director, the Company may continue to pay him remuneration by way of salary, perquisites and other allowances as above, as per provisions of Part II of Schedule XIII of the Companies Act, 1956 as may for the time being be in force, as minimum remuneration.

"RESOLVED FURTHER that Shri Jhunjunwala shall be entitled to be paid /reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purposes of or on behalf of the Company."

"RESOLVED FURTHER THAT the Company do execute a supplementary agreement with Shri Jhunjunwala, supplemental to the agreement dated 05.08.2009, incorporating the revision in remuneration."

Kolkata

Dated: 20.05.2010

By order of the Board

Suhita Mukhopadhyay

Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 24th July, 2010 to 30th July, 2010 (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 24th July, 2010 (Record Date) and shall be paid on and after 9th August, 2010.
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 would need revalidation. 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 National Electronic Clearing Services (NECS) 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 NECS 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.

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

Item No.6

Mr. R. K. Sharma was appointed as an Additional Director of the Company by the Board of Directors, with effect from 27th October, 2009, pursuant to the provisions of Article No. 103 of the Articles of Association of the Company and section 260 of the Companies Act, 1956. According to the provisions of the said Article and section 260 of the Companies Act, 1956, he will hold office upto the date of this Annual General Meeting. As required under section 257 of the said Act, notice has been received from a member along with a deposit of Rs.500 signifying his intention to propose Mr. R.K.Sharma as a candidate for the office of a Director.

Mr. R. K. Sharma, B.E.(Metallurgy), Hons. Graduate in Non Destructive Testing, Post graduate Diploma in Management & Marketing Management, has around 39 years experience of working in medium & large scale Engineering industries. He was in managerial capacity for 35 years in the field of Production, Planning, Quality assurance, Material procurement, Research & Development, Marketing of Steel,

Aluminium & Copper and its alloys, Rolled, Extruded, Deep Drawn, Forged, Fabricated & Machined Products. He has been vested with various foreign assignments during his job tenure with various Companies. His last assignment was as General Manager, Ordnance Factory Ambarnath, Dist. Thane. Considering his long experience, it is in the interest of the Company to continue to avail of his services as a member of the Board. The Directors therefore recommend for approval resolution contained in Item no.6 of the Notice convening the Annual General Meeting.

None of the Directors except Mr. R. K.Sharma is concerned or interested in item No.6 of the Notice.

Item No.7

Shri M P Jhunjhunwala was re-appointed as Chairman and Managing Director with effect from 21.08.2009 for a period of three years till 20.08.2012. The Board of Directors at their meeting held on 11th May, 2009 had approved a basic remuneration of Rs.3,50,000 per month apart from perquisites and amenities as contained in the Agreement dated 05.08.2009. The re-appointment along with the above remuneration package was approved by the Shareholders in the Annual General meeting of the company held on 31st July, 2009 after which an application was made for Central Government approval pursuant to the provisions of Part II of Schedule XIII of the Companies Act, 1956. The Central Government vide its letter dated 10.04.2010 approved a gross remuneration of Rs.36 lacs per annum only.

The Board after further deliberations on the above matter has (based on the recommendation of the Compensation Committee) proposed that considering the prevailing level of salaries for Senior Management Executives including the salary paid to Company's own Senior level employees and further considering the valuable contribution of Shri M P Jhunjhunwala for the growth of the Company, and his vast experience and expertise in running the business successfully, the remuneration payable to Shri Jhunjhunwala for the balance period from 01.04.2010 to 20.08.2012 be revised. The remuneration and perquisites payable to Shri Jhunjhunwala has been enumerated in the resolution at Item no.7 of this notice. The said remuneration and provisions are in consonance with the provisions of section 198,269,309,310 read with clause 1(c) of section II of Part II of Schedule XIII of Companies Act, 1956.

The Explanatory Statement together with the accompanying notice should be treated as an abstract of terms and conditions of the Agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

Since Shri MP Jhunjhunwala has attained the age of 70 years, the approval of the shareholders for the variation in the terms of his appointment is sought by way of a special resolution under Schedule XIII of the Companies Act, 1956.



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

GENERAL INFORMATION:

1. Nature of Industry	The Company is engaged in manufacture of Aluminium Extruded products at its factory located at Kharagpur in West Bengal.
2. Date of commencement of commercial production	The Company had commenced commercial operation in 1991 with two extrusion press lines. Subsequently the Company had expanded its capacity in 1997. The Company has put up a new, state of the Art Press Line which has increased the extrusions manufacturing capacity by 7500MT per annum from 7500MT to 15000MT per annum. Commercial production under the expansion project started in August 2009. The Company had also commenced commercial production of Power Transmission and Distribution Line Hardware (T&D Hardware) in July 2008.
3. In case of new Companies, expected date of commencement of activities as per project approval by financial institutions appearing in the prospectus	Not applicable being an existing Company
4. Financial Performance	The Company achieved a sales revenue of Rs. 13,294.91 Lacs against Rs.11,056.76 Lacs in the previous year mainly on account of an increase in production on commissioning of the expansion capacity in August 2009. The Company has reported improved financial and operating performance during the FY 2009-10
5. Export Performance and net foreign exchange collaboration	The Company has not achieved much success in its efforts to enter the export market. The Company has no foreign collaborations at present.

INFORMATION ABOUT THE APPOINTEE

1. Background details	Mr. Jhunjhunwala aged about 70 years is an arts graduate and has been working as Managing Director of the Company since March 1989.																		
2. Past Remuneration	Mr. Jhunjhunwala was paid a total remuneration (salary + perquisites) of Rs. 29.98 lacs in the year 2009-10 with a Basic Salary of Rs.18.10 lacs per annum plus perquisites.																		
3. Recognition or awards	Mr. Jhunjhunwala has not received any recognition or awards.																		
4. Job Profile & his suitability	As Chairman & Managing Director of the Company, Mr. Jhunjhunwala is overall in-charge of the entire state of affairs of the Company. Mr. Jhunjhunwala has been Managing Director of the Company for over 21 years, has made valuable contribution to the growth of the Company with his vast experience and expertise in running the business successfully.																		
5. Remuneration Proposed	The remuneration proposed to be paid to Mr. Jhunjhunwala is Rs. 3,50,000/- per month plus perquisites as set out in detail in the draft supplementary agreement.																		
6. Company remuneration profile with respect to other Industries	The proposed remuneration is in line with the remuneration presently paid for industries of the size of our Company. Most of the units in the aluminium extrusions industry are closely held and therefore, the information regarding remuneration paid in such companies is not publicly available.																		
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	<p>Mr. Vikram Jhunjhunwala, son of Mr. M P Jhunjhunwala is non-executive Director of the Company. Transactions with parties related to Mr. M P Jhunjhunwala during the year 2009-10 were as follows:</p> <table> <tr> <th><u>Nature of transaction</u></th><th><u>(Rs.)</u></th></tr> <tr> <td>Purchase of Goods</td><td>- 7913297</td></tr> <tr> <td>Sale of Goods</td><td>- 15023808</td></tr> <tr> <td>Rent paid</td><td>- 834120</td></tr> <tr> <td>Rent received</td><td>- 80000</td></tr> <tr> <td>Interest paid</td><td>- 18953</td></tr> <tr> <td>Sale of Fixed Assets</td><td>- NIL</td></tr> <tr> <td>Loan taken</td><td>- 3750000</td></tr> <tr> <td>Loan repaid</td><td>- 3750000</td></tr> </table> <p>None of the managerial personnel in the Company is related to Mr. M P Jhunjhunwala</p>	<u>Nature of transaction</u>	<u>(Rs.)</u>	Purchase of Goods	- 7913297	Sale of Goods	- 15023808	Rent paid	- 834120	Rent received	- 80000	Interest paid	- 18953	Sale of Fixed Assets	- NIL	Loan taken	- 3750000	Loan repaid	- 3750000
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Loan taken	- 3750000																		
Loan repaid	- 3750000																		

OTHER INFORMATION :

Reason of loss or inadequate profits. Steps taken or proposed to be taken for improvement. Expected increase in productivity and profits in measurable terms.

Due to losses incurred by the Company in past and consequent financial constraints, the Company could not make any significant capital investment for almost eleven years till 2008-09. In the meantime, the overheads had significantly increased resulting in lower and inadequate profits.

The Company has expanded its extrusions manufacturing capacity from 7500MT to 15000MT per annum. The commercial production from expanded capacity commenced from August 2009. With commencement of new press line, apart from getting better economies of scale, the Company is able to produce profiles of larger dimensions and more stringent tolerances. The new press line would provide opportunities to produce and supply larger product range to

our existing customers and also to cater to the consumer segments where we had been unable to supply due to our capacity limitations. The doubling of capacity should help in significant improvement in profitability of the Company.

DISCLOSURES

Remuneration package offered to Shri M P Jhunjunwala, is as per the proposed resolution and draft supplementary agreement.

Other disclosure in terms of Clause (iv) IV (2) of paragraph 1-C of Section II of Part-II of Schedule XIII to the Companies Act, 1956 have been given in the Corporate Governance Report attached to the Board of Director's Report.

The Board recommends passing of the same.

None of the directors is concerned or interested in the resolution except for Mr. Vikram Jhunjunwala, son of Shri M P Jhunjunwala.

ANNEXURE

BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR REAPPOINTMENT

	I	II	III
Name of Director	Mr. Vikram Jhunjunwala	Mr. V. K. Mushran	Mr. R. K. Sharma
Date of Birth	05.05.1965	16.12.1937	14.02.1949
Date of Appointment	21.03.1996	21.07.2006	27.10.2009
Expertise	19 years experience in Aluminum Industry	Marketing	39 years of industrial experience
Qualification	Commerce Graduate	Masters in Science	B.E.Metallurgy, Post Graduate Diploma in Marketing Mgmt.
List of Companies in which Outside directorships held as on 31.03.2010	1. Century Aluminum Mfg. Co. Ltd.- Executive Director 2. Vintage Capital Markets Ltd.-Director 3. Camco Multi Metal Ltd.-Director	None	None
Chairman/Member of the Committees of the Board of the other Companies on which he is a Director as on 31st March, 2010	1) Century Aluminum Mfg. Co. Ltd - Share Transfer Committee- Member Audit Committee- Member Compensation Committee-Member	None	None

Dear Members,

We are pleased to present the 22nd Annual Report of the Company for the year 2009-10.

General Economic Recovery

The financial Year 2009-10 saw improvement in all sectors of Indian economy with the global economy also showing signs of gradual recovery from 2008-09 slowdown. In FY 2009-10, India pursued aggressive easing of monetary policy, together with significantly higher public spending to counter weak external demand. As a result, despite several vulnerabilities, economic activity has shown signs of improvement, particularly in industrial production, private business confidence, access to foreign capital and exports. As per the Economic Survey 2010, India's GDP has been estimated to have grown at 7.2% during F.Y. 2009-10.

Investment in infrastructure especially in deficit regions like Asia is growing at a phenomenal rate. Aluminium consumption in Asia will continue to grow in FY 2010-11 as stimulus measures in China, the world's biggest metals consumer, India, a fast growing large economy, and rest of the region lift demand for the metal. In India, mega and ultra-mega power projects are being set up with a vision to make the country self reliant in electricity. Large Construction projects have revived with renewed focus on heavy investment projects like mega housing projects, modernization of railways etc. where aluminum consumption is very high, and therefore, the aluminium industry will

continue on high growth path in coming years.

The growth of primary aluminium industry over the past 5 / 6 years period in Asia has been impressive with China being the major growth driver. The growth of the industry in India has been impressive though at a comparatively slower rate. This is set to change significantly in the next few years as the manufacturers in India have lined up aggressive growth plans. The primary Aluminium metal production in India is set to grow to 3-folds its present size in less than 3 years from now.

During the FY 2009-10, aluminium production in India increased by 12.99 percent (from 1.34 Million MT in 2008-09 to 1.52 Million MT during FY 2009-10) contributed by all the primary producers in India, namely Hindalco, Balco, Vedanta Aluminium and Nalco.

The **Aluminium Extrusions industry** has also recorded **double digit growth during 2009-10**, and expected to continue growing in double digits driven by demand growth, mainly from within India.

Financial Performance

The Company has performed reasonably well during the FY 2009-10. The Sales turnover at Rs.132.95 crores and PAT at Rs.5.35 crores show increase of 20% and 91% respectively. This growth is mainly attributable to higher volumes in Aluminum Extrusions resulting from capacity expansion and the recovery in aluminium metal prices.

(Rs'000, except per share data)

Year ended March 31	2010	2009
Sales	1329491	1105676
Profit before Interest, Depreciation and Impairment of Assets	127914	66684
Interest	26476	14482
Profit before Depreciation and Impairment of Assets	101438	52202
Depreciation and Impairment of Assets	23925	6370
Net Profit	77513	45832
Provision for Taxation	24062	17804
Profit after Tax	53451	28028
Profit brought forward	93367	74699
Surplus available for Appropriation	146818	102727
Appropriations:		
Proposed Dividend	8000	8000
Corporate Tax on Dividend	1329	1360
Balance carried to Balance Sheet	137489	93367

Dividend

Considering the financial performance of the Company for the year and to appropriately reward the members while conserving resources to meet the future financial requirements, we are pleased to recommend a dividend of Re.0.10 per equity Share of Re.1/- each for the year ended 31st March, 2010. This dividend is subject to approval of the members at the forthcoming Annual General meeting.

Production

The Aluminium Extrusions production for the year was 8829MT in comparison to 6338MT in previous financial year showing a growth of 39%. The growth has mainly come from capacity expansion of 7500MT per annum. The expanded capacity commenced commercial production on 24th August 2009. With full production capacity being available for whole of the next financial year, the Company expects to achieve significantly higher production and sales during the FY 2010-11.

The Power Transmission and Distribution Line Hardware (T&D Hardware) achieved production of 48MT during the year as against 28MT during the previous year. This industry has a longer gestation period of roughly 3 years mainly because the prospective customers, mainly the State Power Distribution Companies require prior supply experience before they allow new vendors to participate in their Tenders.

General Business Profile, Strengths and Strategy Initiatives

The Company with an experience spanning a rich 18 years enjoys a number of first mover advantages comprising a comprehensive understanding of the aluminium and aluminium extrusions market, reputed brand and a strong customer base.

The Company possesses in-house facilities for die-manufacturing, melting and casting of billets and the extrusions manufacturing facility with three press lines. The Company's new state-of-the art 2700MT press line is automated to 90% and will cover the production of a large product range. The Company enjoys easy raw material access. It accesses the raw material from three renowned and proximate primary metal manufacturers - Hindalco, Nalco, and Vedanta Aluminium. The Company is one of India's large institutional aluminium metal consumers with corresponding purchase economies.

The Company manufactures and supplies extrusions for varied applications (architectural, road transport vehicles, railways, electrical and electronic applications, engineering applications, automotive sector, consumer durables, Defence applications and irrigation, among others). The power sector accounts for the largest revenue proportion. The Company

also has necessary set up to supply value added extruded products for various engineering applications.

Rich Market Presence

A network of branches and sales offices in close proximity to the customers enable us to ensure efficient, effective and timely service. The Company possesses a portfolio of over 600 reputed customers. Customer delight has been the Company's "Mantra" with a dedicated team of professionals. Utmost importance is given to client satisfaction. The Sales Team is fully qualified and trained to look after the customers' diverse requirements for their complete satisfaction. High levels of ethics and transparency are maintained in dealing with the clients to improve their confidence in the brand and the Company. Nearly 86 % of the revenues in 2009-10 were derived out of sales to long-standing customers. The real strength of the Company lies in its large number of customers in different customer segments spread in different geographical segments in a growing economy like India.

We manufacture extruded products for varied applications, viz.:

- Profiles for Architectural Applications such as Building Systems, Structural Glazing, Curtain Walls, Aluminium Rolling Shutters, Windows, Doors, Partitions, False Ceilings, Tower Bolts, Hand Rails, Door Handles, Hinges, Drapery Rods, Modular Furniture, etc.
 - Profiles for Road Transport Sections
 - Profiles for Rail Coach Windows & Doors
 - Profiles for manufacture of Automobile Components
 - Profiles for Heat Transfer in Electronics & Electrical Gadgets
 - Profiles for Electrical applications such as Tubes and Flats for Bus Bars, Transmission Line Hardware such as P.G. Clamps, H-Connectors, Repair Sleeves, Lugs, Solar Panels etc.
 - Profiles for Engineering Applications such as Motor Housings, Gear Pump Casings, Ferrules, A.C.Louvers, Machinery Parts, Elevators, Pneumatic Actuators, Pneumatic Cylinders, Valve Bodies, etc.
 - Profiles for various Defence Applications
- And many more.

On account of direct pass through of any increase / decrease in primary aluminium prices to those for aluminium extrusions, the industry is de-commoditised and relatively insulated from fluctuating primary aluminium prices. With depreciated assets, efficient inventory turns and relatively quicker receivable cycles, return-on-the-employed capital is reasonably good. The Company reported an ROCE of 19.11% in 2009-10.



Future Outlook and New Business Opportunities

Extrusions

The Company has commenced commercial production from its new 2700 MT Aluminium Extrusion press line on August 24, 2009 and is able to produce profiles of larger dimensions and more stringent tolerances. The new expansion project put up at a capital investment of Rs.40 crores has enhanced the installed capacity for manufacture of Aluminium Extrusions from 7500 MT per annum to 15000 MT per annum. This would provide opportunities to produce and supply larger product range to our existing customers and also cater to the consumer segments where we had been unable to supply due to our capacity limitations.

There are a number of attractive opportunities for developing further value-added products of extrusions. The Company proposes to put up facilities to manufacture value-added products of extrusions such as anodizing and powder Coating facilities, door & window systems manufacturing facility, and facility for producing components/finished parts for auto, Solar panel and engineering industries in future. The Company is geared up to avail emerging opportunities in the following areas:

1. Power Sector – Our country faces continuing power shortage. More investments to plug the gap means more aluminium extrusions.
2. The vibrant Real Estate Sector in our country - More homes and offices mean more aluminium extrusions. Increasing government budgetary support for the housing sector is expected to sustain.
3. Rapidly growing Transportation Sector - More road and more vehicles mean more aluminium extrusions. The Growing Vehicular aluminium content for light weighting of vehicles to save energy will drive aluminium demand further.
4. The Sustained Agriculture Emphasis in our Country – More investments in irrigation mean more aluminium extrusions
5. Solar Energy Industry is a big emerging opportunity, which implies significant consumption opportunities for aluminium extrusions from solar panels over the years to come.
6. Indian Defence Sector: Aluminium extrusions are consumed in a wide range of applications in this sector, comprising tail-end fuse connectors for detonator shells and grenades, frame-work for tents and as a roll-over 'mattress' for tanks to navigate difficult terrains.

The Company's debt-equity ratio of **0.72** indicates adequate potential for funding growth. The Company enjoys an interest cover of **4.41** and average borrowing cost of under

10% with term loans and working capital loans from banks as well as subsidised loan from the West Bengal Government.

Power T & D Hardware

Despite 18 years of power reforms, over 40% of the country's population is still without electricity, 60 % of Indian firms and a large percentage of homes rely on captive or back-up generation. The spot rates for power have significantly increased in the last 12-18 months, led by the sharp increase in the peak and energy deficit levels. Aluminium finds growing use in this space as it is directly used in the overhead transmission and distribution lines.

Our long experience and the robust credibility in the field of manufacturing Aluminium extrusions, where we have significant presence in making supplies to customers in Power Segment, encouraged us to enter into the field of manufacturing Power Transmission and Distribution Hardware.

Power Transmission and Distribution Hardware Fittings are required for use on Overhead Transmission and Distribution Lines for connecting Insulators with Tower/Pole Cross Arms and Insulators with conductors. The Company has manufacturing facilities for casting of Aluminium Alloys, manufacturing of Extruded products in Aluminium & its Alloys, Wire Drawing, Helical Products, Fabrication of Ferrous & Non-Ferrous Components, Argon Welding, Electric Arc Welding, Machining, Bundle Spacer Assembly, Vibration Damper Assembly, Conductor Accessories, Clamp Connectors for Hardware Assembly, and manufacturing of Tools, Dies & Moulds. Aluminium is also used in insulated and underground cables laid in large populated urban areas and in reserved forests (to avoid deforestation), Round Tubes are used for corona control rings, grading rings, mid-span compression joints, dead-end clamps and jointing sleeves, among others, signifying huge opportunities for extrusions in the power sector.

During the financial year 2009-10 the Company could make only a modest sales turnover of T & D Hardware amounting to Rs. 69 lacs approx. The Company is in the process of getting registered with various State Electricity Boards and looks forward to receive substantial order from State Electricity Boards, Transmission & Distribution Line State-based Utilities, Erection Contractors, Transmission & Distribution line hardware manufacturers, etc. in the coming years.

The Company remains focused in its objective to pursue the path of profitability and sustained growth, maximize operational efficiency and strategies to attain the highest standard of quality, safety and productivity. Our attempts in optimizing the value of resources and retaining talent will continue to serve us well in our journey to the next level of growth.

Risks and Areas of Concern

Cost overrun in the Expansion project : The expansion project which was initially estimated to be put up at a project cost of Rs.34.50 crores absorbed around Rs.40 crores mainly due to depreciation of Indian Currency against US Dollar as two of our equipment forming over 50% of the project cost and sourced from Japan and USA were contracted in US Dollars. The Project Cost increase was funded from higher Term Loan borrowing and from Internal Accruals putting some pressure on the Company's resources. Further a higher project cost means need for a higher revenue to maintain the projected profitability.

Market Risk : Market dynamics are ever changing and competition is increasing as more aluminum extrusion presses are coming all over the country. New players are targeting resellers, consequently old players who were earlier in reseller markets are turning towards end users creating competition for the Company.

Competition from local manufacturers : Some of the customers prefer local suppliers for faster deliveries. To compete with local suppliers, we have to sacrifice our margin to neutralize the effect of higher Freight and Central Sales Tax.

Employee Attrition : This is a risk for any industry where growth is in double digits and the Company also faces a challenge in retaining its trained personnel. The Company has created employee friendly policies and a conducive environment for work life balance.

Trade union Activities : Our Workmen's unions operate under the control of three different political parties. It is a challenge to meet the ever increasing expectations from Unions, who at times put unreasonable demands due to inter-union rivalry in a bid to secure the support of larger number of workmen.

The Company is addressing all these concerns in a structured manner and various strategies are in place to overcome all challenges.

Managing Risk

The Company has formulated a comprehensive risk management policy with the objective of providing a framework for the organization that enables future activity to take place in a consistent and controlled manner, contributing to effective use / allocation of capital and resources within the organization. The Company has formulated systems for regular identification and measurement of risks and measures to be taken from time to time for avoidance, mitigation or reduction of risks.

Segment-wise / Product-wise performance

The Company has two business segments i.e. manufacturing

of Aluminium Extruded Products and manufacturing of Power Transmission and Distribution Line Hardware. However, the Company does not fall under any of the criteria laid down under AS-17 and hence Segment Reporting is not applicable.

Internal Control System 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 unauthorized 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.

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.

As new business challenges emerge, there is a need to continue to be a learning organization that supports operational excellence, continuous improvement and rising standards of performance at all levels. Towards this the Company reviews the HR Policies to accentuate performance-linked rewards and professional growth.

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

The Company focuses on ensuring that all new members of the company are quickly assimilated into the organization by imbibing core organizational values. The Induction Manual of the company has been framed keeping the above in mind.

Developing a learning culture has always been and will continue to be our uppermost priority. Our efforts in the coming years will be to enable our employees to continually grow and build a competitive edge by translating the learnings into positive actions.

Your company had a long term wage agreement with its workmen which was valid till 31st October 2009. The negotiation for a new long term wage agreement is in progress. Your company had employed 363 numbers of permanent employees as on 31st March 2010.

We believe that together we can and together we will make the company achieve its corporate mission.

Corporate Social Responsibility (CSR)

The Company is committed to being a good corporate citizen and believes in shouldering responsibility towards society, community and environment. Unfortunately, the Company could not undertake any social responsibility during the year 2009-10, about which we can write in this Annual Report.

Directors

Mr. R.K.Sharma was appointed as Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956 on 27.10.2009. He continues to hold office up to the date of the forthcoming Annual General Meeting of the Company. The Company has received notice under section 257 of the Act alongwith requisite deposit in respect of Mr. Sharma proposing his appointment as Director of the Company. Resolution seeking approval of the members for the appointment of Mr. R K Sharma as Director of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting along with his brief details.

Mr. Vikram Jhunjhunwala and Mr. V K Mushran retire from directorship of the Company by rotation, and being eligible, offer themselves for re-appointment.

The Board of Directors of the Company has, at its meeting held on 20th May, 2010 proposed for increase in the remuneration of Mr. M P Jhunjhunwala, Chairman and Managing Director for the remaining tenure of his service. The terms and conditions of his appointment, including his remuneration, are subject to approval of the members. The Supplemental Agreement to be entered into with him for increase in remuneration is also subject to approval of the members.

Brief resume of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional area and the names of the Companies in which they hold directorship and membership/chairmanship of Board Committees, as stipulated under clause 49 of the listing agreement with the Stock Exchanges, are provided as an annexure to the Notice convening the Annual General Meeting.

Credit Rating

During the year, CRISIL, the Credit Rating Agency for the Company's Banking facilities has revised its rating outlook on the Company Term Loan to 'Stable' from 'Negative', while reaffirming the rating at 'BB+'. The short-term rating has been reclassified as 'P4+' from 'P4'. The revision reflects CRISIL's expectation that CEL will maintain its moderate financial risk profile on the back of its established market position, coupled with the benefits expected from the recently

increased capacities. The ratings continue to reflect CEL's susceptibility to stretched liquidity for the increased scale of operations. The impact of these weaknesses is mitigated by CEL's diversified customer profile, which imparts stability to its revenues.

CEL will benefit from its increased capacity. A combination of benefits of increased capacity and moderate financial risk profile will help the company maintain its current credit risk profile.

Directors' Responsibility Statement

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- that the selected accounting policies were applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit or loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual accounts have been prepared on a going concern basis.

Auditors / Auditors' Report

The auditors, M/s. 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. There are no qualifications or adverse remarks in the Auditors' Report, which require any clarification/explanation.

Cost Auditors

As per the directive of Central Government pursuant to the provisions of Section 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, 2011.

Public Deposits

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

Particulars as per Section 217 of the Companies Act, 1956

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1) (e) of the Companies Act, 1956, is set out in a separate statement attached to this report and forms part of it.

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.

Name	Age	Designation	Gross Remuneration	Qualification	Total Experience	Date of Commencement of employment	Last Employment Held
Kailash Baheti	46yrs.	CEO&CFO	Rs.52.66 Lacs	B.Com. (Hons) FCA, ACS & AICWA	24 yrs.	01.12.1996	Shubham Industries Ltd.
JK Malpani	47 yrs.	President	Rs.27.49 Lacs	B.E. (Indl. & Prodn.)	24 yrs.	01.07.2000	Sangam Aluminium Ltd.
RK Khanna	63yrs.	President Projects	Rs.27.26 Lacs	B.Sc.(Mech. Engg.) (Hons.)	40 yrs.	01.01.2008	Century Aluminium Mfg. Co. Ltd.

- Note: 1. Gross remuneration comprises of salary, allowances, Company's contribution to Provident Fund and value of perquisites.
2. The employees mentioned above are not relatives of any Directors of the Company.

Corporate Governance

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

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

Corporate Governance Voluntary Guidelines 2009

The Company is yet to adopt the Corporate Governance Voluntary Guidelines as issued by the Ministry of Corporate Affairs, Government of India. However the Company is striving to achieve the highest standards of corporate

governance by adopting and implementing these guidelines in a phased manner over a period of two to three years.

Acknowledgement

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.

Cautionary Statement

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

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

Date: 20th May 2010
Place: Kolkata

**MP Jhunjunwala
Chairman & Managing Director**

ANNEXURE TO DIRECTOR'S REPORT

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under the companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

In Homogenizing Furnace # 1 Contactor Logic Control has been replaced by Thyristorized Control at an approx. cost of Rs.3.50 lakhs. This has resulted in energy saving of approx. 90 units per MT of logs homogenized in this furnace. Approx. 100MT of logs are homogenized in this furnace per month, resulting in saving of approx. Rs.0.40lakh per month.

Reciprocating type Air Compressors – 2 Nos. of capacity 200 CFM each have been replaced by 2 Nos. Screw type Air Compressors at an approx. cost of Rs.12.00 lakhs resulting in saving of approx. 5000 units per month i.e. Rs.0.23 lakh per month.

b) Other Principal Energy Conservation measures taken:

NIL

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 saving of approx. 14000 Units of electrical energy per month from the aforesaid measures, thus resulting in saving of approx. Rs.0.63 lakh per month.

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

We propose to install:

1. 4 Nos. Variable Frequency Drives to replace Star-Delta Starters at the pump house for energy saving.

Budget : Rs.5.00 lakhs

2. New Transformer for 700KW Induction Billet Heaters with customized tap settings based on the changed product-mix to achieve significant saving in energy consumption on the said Induction Billet Heater.

Budget : Rs.15.00 lakhs

e) Total energy consumption and energy consumption per unit of production:-

Information is given in prescribed Form-A annexed. The summary is given hereunder:

Financial Year	Furnace Oil (LTR/MT of logs produced)	Electrical Energy (KWH/MT)	
		Extrusions	Power T&D Hardware
2009-10	123	1307	28
2008-09	103	1334	44

A. TECHNOLOGY ABSORPTION

Information is given in Form - B annexed.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports: initiatives taken to increase exports, development of new export markets for products and services, and export plans.

Due to the global recession, the Company did not find adequate

opportunities to increase exports or to develop new export markets. Renewed efforts will be put during FY 2010-11 to increase exports.

Total foreign exchange used and earned:

	Current Year (Rs. in '000)	Previous year (Rs. in '000)
Used	34074	254569
Earned	1647	Nil

FORM - A

See Rule 2

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

	Current Year 09-10	Previous Year 08-09
1 Electricity		
(a) Purchased Units - KWH in thousands	11586	8547
Total amount - Rs. in thousands	57246	33560
Average Rate (Rs./KWH)	4.94	3.93
(b) Own generation through Diesel Generator		
Units - KWH in thousands	22	15
Units/Ltr. of Diesel	2.65	2.43
Diesel cost/Unit generated (Rs.)	12.94	13.77
2 Coal (consumed in metal recovery unit)		
Quantity in M.T.	23.10	16.32
Total cost (Rs. in thousands)	127	91
Average Rate (Rs/MT)	5489	5565
3 Furnace Oil		
Qty. in Kilo Litres.	819	601
Total cost (Rs. in thousands)	21357	15221
Average Rate (Rs/Ltr)	26.08	25.33
4 Others Nil	Nil	

B. Consumption per unit of production

Electricity (KWH/MT)		
- Extrusions	1307	1334
- Power T&D Hardware	28	44
Coal (Kg/MT of extrusions produced)	5	6
Furnace Oil (Ltr/MT of logs produced)	123	103

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

1. Corporate Governance Policy

The Company is in compliance with the guidelines on the Corporate Governance as stipulated under the various clauses of the Listing Agreement with the Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clauses and practices followed by the Company.

Some of the major initiatives taken by the Company towards strengthening its Corporate Governance and practices include the following :

- (i) Adoption and implementation of the 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) Adopting a system of risk management and internal control
- (iv) Transparency and accountability
- (v) Compliance with all rules and Insider Trading regulations
- (vi) Policy on Prevention of Insider Trading

2. Board of Directors

The Company has a balanced Board, comprising Executive and Non-Executive Directors which includes independent professionals. The Board of Directors comprises of a Chairman and Managing Director and 5 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.

The Company's Board of Directors play primary role in ensuring good governance and functioning of the Company. All relevant information (as mandated by the regulations) is placed before the board. The Board reviews compliance reports of all laws as applicable to the Company as well as steps taken by the company to rectify instances of non-compliance, if any.

As per the declarations received by the Company, none of the directors are disqualified under section 274(i)(g) of the Companies Act, 1956.

Necessary disclosures have been made by the Directors stating that they do not hold membership in more than ten committees or act as a Chairman in more than five committees in terms of clause 49 of the listing agreement.

Board Meetings

Being the apex body constituted by the shareholders for

overseeing the functioning of the Company, the Board evaluates all the strategic decisions on a collective consensus basis amongst the directors.

The Board generally meets 4-5 times during the year. Additional meetings are held whenever necessary. All the Agenda items are backed by necessary supporting information and documents to enable the Board to take informed decisions. During the year, 6 Board Meetings were held on 11.05.2009, 31.07.2009, 27.10.2009, 23.11.2009, 27.01.2010 and 16.03.2010

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
M. P. Jhunjhunwala Chairman & MD	Executive & promoter	6	Yes	2	2	-
V. Jhunjhunwala Director	Non-executive & promoter	5	Yes	3	1	-
R. N. Das Director	Non-executive & Independent	4	No	-	-	-
M. G. Todi Director	Non-executive & Independent	6	Yes	4	-	-
V. K. Mushran Director	Non-executive & Independent	3	Yes	-	-	-
R.K.Sharma Additional Director	Non-executive & Independent	2	NA	-	-	-

Note: Mr. R. K. Sharma, was appointed additional director on the Board w.e.f. 27.10.2009. His appointment as a Director in the Board is subject to the approval of the members in the forthcoming Annual General Meeting scheduled to be held on 30.07.2010

3. Board Compensation

The Chairman and Managing Director, Mr. M P Jhunjhunwala is paid remuneration as per the Agreement entered into with the Company.

Mr. M P Jhunjhunwala is not paid any performance-linked incentive. The service of Mr. Jhunjhunwala is contractual for a period of three years. The Service contract had commenced with effect from 21.08.2009 and will conclude on 20.08.2012. Mr. Jhunjhunwala has not been granted any stock options. The Non-Executive Directors are paid sitting fees for attending the board and committee meetings.

The details of remuneration and sitting fees paid to the directors of the Company for the financial year 2009-10 is given below :

Name of the Director	Relationship with other directors	Salaries & Perquisites	Sitting Fees for Board & Committee Meetings
		(Rs.)	(Rs.)
Mr. M. P. Jhunjhunwala	Father of Mr. V. Jhunjhunwala	29,98,270	-
Mr. Vikram Jhunjhunwala	Son of Mr. M. P. Jhunjhunwala	-	67,500
Mr. V. K. Mushran	-	-	35,000
Mr. R. N. Das	-	-	42,500
Mr. M. G. Todi	-	-	80,000
Mr. R. K. Sharma (Additional Director)	-	-	15,000
TOTAL		29,98,270	2,40,000

4. Reappointment of Directors

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

Mr. Vikram Jhunjhunwala, one of the promoters of the Company, 45 years of age, is a commerce graduate and has over 20 years experience, in all spheres of running an industrial organization in Aluminium Industry.

Name of the Company	Nature of Interest
Century Aluminum Mfg. Co. Ltd	Executive Director
Camco Multi Metal Ltd.	Director
Vintage Capital Markets Ltd.	Director
Shareholdings in the Company: 769333 shares (0.996% of the total paid-up share capital)	

Mr. V K Mushran, 72 years of age, 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

Mr. R K Sharma, 61 years of age, B.E. (Metallurgy), Hons. Graduate in Non Destructive Testing, Post graduate Diploma in Management & Mktg. Mgmt, has around 39 years experience of working in medium & large scale Engineering industries. His last assignment was as General Manager, Ordnance Factory Ambarnath, Dist. Thane.

Companies in which Mr. R. K Sharma holds directorships and committee memberships- Nil, Shareholdings in the Company: Nil

COMMITTEES OF THE BOARD

5. Audit Committee:

Major changes, if any, 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:

- Sri M G Todi, Chairman, Non – Executive Independent director
- Sri R N Das, Non – Executive Independent director
- Sri V K Mushran, Non – Executive Independent director
- Sri Vikram Jhunjhunwala, Non – Executive Director

The Audit Committee Meetings are attended by the Chief Financial Officer, 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 Terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with Stock Exchanges read with section 292 A of the Companies Act, 1956.

The Committee held four meetings during the year 2009-10 on 11.05.2009, 31.07.2009, 27.10.2009 & 27.01.2010.

Name of Director	No. of meetings attended
Shri M G Todi	4
Shri R N Das	3
Shri V K Mushran	3
Shri Vikram Jhunjhunwala	3

6. Compensation Committee

The Compensation Committee of the Company, inter alia, recommends to the Board the remuneration packages for Executive Director and Managing Director.

Except the Chairman & Managing Director, all the members of the Board are liable to retire by rotation. The appointment and remuneration of Whole-Time Directors is governed by the resolution passed by the Board of Directors as per recommendations of the Compensation Committee which covers the terms and conditions of such appointment read with service rules of the company subject to final approval by the members. No severance fee is payable.

The committee presently comprises of 4 Directors and the Chairman is an independent non-executive director:

Name of Directors

Mr M G Todi, Chairman

Mr R N Das

Mr V K Mushran

Mr Vikram Jhunjunwala

The Non-Executive Directors do not hold any shares or convertible Instruments of the Company.

Following are the terms of reference of the Compensation Committee:

- To review and approve/recommend remuneration for the whole-time directors of the Company.
- To perform such functions as detailed in the remuneration committee under Schedule XIII of the Companies Act, 1956.
- To discharge such other functions as may be delegated to the Committee by the Board from time to time.

The committee held one meeting during the year 2009-10 on 11.05.2009 to approve the remuneration of the Chairman & Managing Director.

The remuneration to the Managing Director and Whole-Time Director(s) are decided on the basis of following criteria:

- Industry trend
- Remuneration package in other comparable corporates
- Job responsibilities
- Company's performance and individual's key performance areas

Details of Remuneration of Chairman & Managing Director for the year 2009-2010

Mr. M P Jhunjunwala was re-appointed as the Chairman and Managing Director with effect from 21.08.2009 for a period of 3 years. The Central Govt, has accorded approval for payment of remuneration not exceeding Rs.36 lacs per annum to Mr. M P Jhunjunwala, Chairman & Managing Director. He was accordingly remunerated as follows during the Financial Year 2009-10

	Rs. in lacs
Salary	18.10
Perquisites	9.70
Contribution to Provident Fund	2.18
Total	29.98

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

7. 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
Mr M G Todi - Chairman	9
Mr Vikram Jhunjunwala	9
Mr R. N. Das	1
Mr V. K. Mushran	1
Mr M. P. Jhunjunwala.	9

The Committee inter alia approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer/transmission of securities and redressal of shareholders' complaints. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee performs all functions relating to interests of shareholders/investors of the Company as required by the provisions of Companies Act, 1956, Listing Agreements with the Stock exchanges & guidelines issued by the SEBI or any regulatory authority. It authorizes the Company Secretary or other persons to take necessary action on the above matters.

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 Managing Director and/or the Company Secretary & Compliance Officer.

Shareholders' Complaints

The Company received 14 complaints during the year all of which were duly resolved. There was no share transfer pending as on March 31, 2010. All complaints received from the shareholders during the year 2009 – 10 were redressed and resolved within 30 days from the respective date of receipt.

8. 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. All the Board members and senior management personnel have confirmed compliance with the Code.

The Chairman and 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 2009-2010.

(MP Jhunjhunwala)

Chairman and Managing Director

Dated: 20th May, 2010

9. Prevention of Insider Trading Code

The Company has adopted an Insider Trading Code in terms of the SEBI (Prohibition of Insider Trading) Regulations 1992. All the directors, employees at senior management level and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The Company regularly monitors transactions undertaken by the employees of the Company in terms of the Code.

The Company also informs the Stock Exchange(s) periodically about the transactions undertaken by the designated employees and their shareholdings as per the regulations.

The Company has appointed the Company Secretary as Compliance Officer who is responsible for setting the procedures and implementation of the code of conduct for trading in Company's securities. During the year under review, there has been due compliance with the said code.

10. RISK MANAGEMENT

The Company formulated an Enterprise Risk Management Policy which has been approved and adopted at the Board Meeting held on 11.05.2009. The Policy sets out procedures of assessment of potential risks and the procedure to plan, arrange and control activities and resources of the Organization to minimize impact of uncertain events (potential risks) which would assist the management to exercise better control

A note on risks and areas of concern affecting the business of the Company is provided in the Directors' Report and Management discussion and Analysis.

11. General Body Meetings :

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

AGM/EGM	LOCATION	DATE & TIME	SPECIAL RESOLUTION
AGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700017	27.07.2007 & 10.30 A.M	YES
EGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700017	21.01.2008 & 10.30 A.M.	YES
AGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700017	30.07.2008 & 10.30 A.M.	YES
AGM	Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700017	31.07.2009 & 11.00 A.M.	YES

Postal Ballot

Section 192A of the Companies Act, 1956 has made the Postal Ballot mandatory in respect of certain resolutions. No such resolutions requiring Postal ballot was passed during the year.

12. Disclosures :

1. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, their Subsidiaries or relatives conflicting with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report.
2. There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company, which has potential conflict with the interests of the Company at large.

3. The Company follows Accounting Standards issued by the Central government and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in Accounting Standards.
4. The Company during the financial year under review continued to supply Aluminum Extrusions to a Company (where Mr. MG Todi, Director of the Company happens to hold directorship) as per later's requirements from time to time at prices, the terms of which were negotiated and mutually agreed. The Company has obtained necessary permission in this regard from the Central Government under section 297 of the Companies Act, 1956.
5. 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 penalties or strictures imposed by the Stock Exchanges, the SEBI or any Statutory authority relating to the above period.
6. The Company has in place a mechanism to inform the Board members about the Risk Assessment and minimization procedures and periodical reviews to ensure that the critical risks are controlled by executive management.
7. The Board of Directors of the Company have received a certificate from the Chairman & Managing Director and Chief Executive Officer & Chief Financial Officer of the Company in compliance of clause 49(v) of the listing agreement.
8. The Company has not made any public issue/rights issue/preferential issue during the period under review.
9. The Company does not presently have a Whistle Blower Mechanism.

13. Means of Communication :

- **Quarterly Disclosures:** Quarterly, Half Yearly and Annual financial results are published in Business Standard (English Daily) and Kalantar (Bengali Daily) newspapers.
- **News Release:** Official News releases are displayed at the Company's website, www.centuryextrusions.com
- **Website:** The Company's website www.centuryextrusions.com contains a separate dedicated section where shareholders information is available. Full Annual Report is also available on the web-site in a user-friendly and downloadable form.
- **Information on BSE-NSE website:** The Company is posting financial results and other shareholders' related information at the website of the Bombay Stock Exchange Ltd. and The National Stock Exchange of India Limited where the shares of the Company are listed. The Annual Report of the Company will also be available in the above websites.

14. Shareholder Information :

Annual General Meeting:

Date : 30.07.2010

Time : 11.00 A.M.

Venue: Bharatiya Bhasha Parishad,
Sitaram Seksaria Auditorium.
36A, Shakespeare Sarani,
Kolkata-700017

15. Financial Calendar :

April to March	Publication of results for the Financial Year 2010-11
First Quarter results	Before 14th August, 2010
Second Quarter and half-yearly results	Before 14th November 2010
Third Quarter results	Before 14th February 2011
Fourth Quarter results and results for the year ending on 31.03.2011	During May 2011

Book Closure: From: 24th July, 2010 to 30th July, 2010 (both days inclusive)

Dividend Payment Date: Within ten working days from the date of the Annual General Meeting

16. Listing on Stock Exchanges and Stock code:

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

i. The Bombay Stock Exchange Ltd

P.J.Towers
Dalal Street
Mumbai-400001
Code: 500083

ii. National Stock Exchange of India Ltd.

Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai-400 051
Code: CENTEXT EQ

ISIN Number for shares in Electronic form is INE281A01026.

Annual Listing fees have been paid to the BSE and NSE for the financial year 2009-2010.

17. Market Price Data:

Monthly high and low quotation of shares traded on The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd. (NSE) for the year 2009-2010 :

MONTH	BSE		NSE	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
APRIL-2009	4.00	3.10	3.95	3.04
MAY-2009	5.97	3.70	5.65	3.60
JUNE-2009	7.58	4.75	7.65	4.75
JULY-2009	5.30	4.39	5.30	4.30
AUGUST-2009	6.35	4.70	6.30	4.75
SEPTEMBER-2009	6.56	5.70	6.65	4.75
OCTOBER-2009	6.21	5.17	6.50	5.30
NOVEMBER-2009	6.10	5.19	6.10	5.20
DECEMBER-2009	6.50	5.40	6.50	5.05
JANUARY-2010	7.93	5.51	7.80	5.65
FEBRUARY-2010	6.74	5.01	6.80	5.00
MARCH-2010	11.40	5.13	11.25	5.25

18. The Distribution of Shareholding as on 31-03-2010 :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Total No. of Shares	% of Shareholding
Upto 500	11111	65.40	2288725	2.86
500 to 1000	2810	16.55	2458635	3.07
1001 to 2000	1426	8.39	2309173	2.89
2001 to 3000	498	2.93	1297419	1.63
3001 to 4000	224	1.32	822336	1.03
4001 to 5000	251	1.48	1220947	1.52
5001 to 10000	379	2.23	2911126	3.64
10000 to 50000	226	1.33	5085391	6.35
50000 to 100000	26	0.15	1855922	2.32
1000001 and above	37	0.22	59750326	74.69
Total	16988	100.00	80000000	100.00

19. Categories of Shareholders as on 31st March 2010

Category	No. of Shares held	% to paid-up Capital
a. Promoters, Relatives and Associates	41628649	52.0358
b. Financial & Investment Institutions	2600	0.0032
c. Mutual Funds	2800	0.0035
d. Non-Resident Individuals	528935	0.6612
e. Bodies Corporate [other than covered in (a) & (b) above]	16934642	21.1684
f. Indian Public	20899474	26.1243
g. Others	2900	0.0036
Total	80000000	100.00

20. 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, CB Management Services Pvt. Limited, whereby the investors have the option to dematerialize.

Status of Dematerialization as on March 31, 2010:

Particulars	No. of Shares	Percentage of total Capital	Number of Accounts
National Securities Depository Limited	67580728	84.48	7745
Central Depository Services (India) Limited	11082788	13.85	3934
Total Dematerialized	78663516	98.33	11679
Physical	1336484	1.67	5309
Grand Total	80000000	100	16988

21. Registrar and Share Transfer Agents

CB Management Services Pvt. Limited
P-22, Bondel Road, Kolkata-700019
Telephone : +91 33 22806692/6693/6694
Fax : +91 33 2287-0263
E-mail : rta@cbmsl.com

Address for Correspondence:

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

CB Management Services Pvt. Ltd.
Registrar & Share Transfer Agents
P-22, Bondel Road, Kolkata-700019
Telephone : +91 33 22806692,6693,6694
Fax : +91 33 2287-0263, E-mail : rta@cbmsl.com

22.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.

Website: The Company's website www.centuryextrusions.com contains comprehensive information about the Company, products, press releases and investor relations. The Shareholder Referencer in the website serves as a Guide for all the investors by providing key information.

23. 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.

Plant Location:

Century Extrusions Limited
WBIIDC Industrial Growth Centre,
Plot No.7A, Sector-B, P.O. Rakhajungle
Pin: 721301, Nimpura, Kharagpur,
Dist. West Midnapore
(West Bengal)

Status of Unpaid Dividend

Dividend for the year	Amt.of Dividend (Rs. In Lakhs)	Amt. of Unpaid Dividend as on 31.03.10 (Rs. In Lakhs)	% of Dividend Unpaid	Due Date of transfer to IEPF
2007-08	47	1.31	2.79	05.10.2015
2008-09	80	1.44	1.80	06.10.2016

Unpaid Status of Rights Issue proceeds of 3,50,00,000 Equity Shares of Re 1 each for cash at par, issued on 15-09-2005

Rights Issue (Total amount of Refund) (Rs. In Lakhs)	Unpaid amount balance in Rights issue Refund A/c (Rs. In Lakhs)	No. of Warrant Holders	% of Unpaid amount
120.01	0.35	77	0.29



CORPORATE GOVERNANCE CERTIFICATE

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, 2010, 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 A L P S & CO.
Chartered Accountants
Firm's ICAI Registration No. 313132E
A.K.Khetawat
Partner
Membership No. 052751

CHAIRMAN & MANAGING DIRECTOR AND CEO & 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:

We have reviewed financial statements and cash flow statement for the year;

1. 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;
2. 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;
3. 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;
4. 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.
5. 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
Date : May 20, 2010

M P Jhunjhunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer &
Chief Financial Officer

To The Members,

We have audited the attached Balance Sheet of **CENTURY EXTRUSIONS LIMITED** as at 31st March, 2010 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, 2010 and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31st March, 2010 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, 2010;
 - 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.

Kolkata

Dated: 20th day of May, 2010

For ALPS & CO
Chartered Accountants
A.K.Khetawat

Partner

Membership No. 052751

Firm's ICAI Regn. No. 313132E



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, 2010 for a period of more than six months from the date they became payable.

- (b) The disputed statutory dues aggregating Rs.94.75 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	3.63 Lakhs	2004-05	West Bengal Commercial Appellate & Revisional Board, Kolkata
West Bengal Vat Act, 2003	Value Added Tax	10.31 Lakhs	2005-06 & 2006-07	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Central Sales Tax	14.75 Lakhs 66.06 Lakhs	2003-04 & 2004-05 2006-07	West Bengal Commercial Appellate & Revisional Board, Kolkata Joint Commissioner of Sales Tax

- 10) The company has no accumulated losses at the end of financial year nor it has incurred cash losses during the financial year under review and in immediately preceding financial year.
- 11) According to the information and explanations given to us and audit in accordance with generally accepted auditing practices, in our opinion, the company has not defaulted in repayments of dues to financial institutions or banks or debenture holders.
- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/ mutual benefit fund or society. Therefore clause 4(xiii) of the order is not applicable to the Company.
- 14) In our opinion and according to information and explanations given to us, the Company 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 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: 20th day of May, 2010

For ALPS & CO
Chartered Accountants
A.K.Khetawat
Partner
Membership No. 052751
Firm's ICAI Regn. No. 313132E



BALANCE SHEET

			(Rs. '000)	
		As at		As at
	Schedule	31st March		31st March
		2010		2009
SOURCES OF FUNDS				
<i>Shareholders' Fund</i>				
Share Capital	1	80000		80000
Reserves & Surplus	2	236489		192367
<i>Loan Funds</i>				
Secured Loans	3	306679		189769
Unsecured Loans	4	25251		29376
Deferred Tax Liabilities	5	18479		7482
Total		666898		498994
APPLICATION OF FUNDS				
<i>Fixed Assets</i>				
Gross Block	6	632188	230338	
Less : Depreciation		183220	160595	
Net Block		448968		69743
Capital Work-in-Progress		1252		57840
Pre-Operative Expenditure	7	-		13894
		450220		141477
<i>Current Assets, Loans & Advances</i>				
Inventories	8	139443	156196	
Sundry Debtors	9	179771	106585	
Cash & Bank Balances	10	22375	23597	
Loans & Advances	11	46743	200841	
		388332	487219	
<i>Less : Current Liabilities & Provisions</i>				
Current Liabilities	12	132528	103525	
Provisions	13	39126	26177	
		171654	129702	
<i>Net Current Assets</i>		216678		357517
Total		666898		498994

Accounting Policies and Notes on Accounts 18

The Schedules referred to above form integral part of the Accounts

As per our report of even date attached

for A L P S & CO.
Chartered Accountants

A K Khetawat
Partner
Membership No.052751
Firm's ICAI Regn. No. 313132E

Kolkata
Dated : 20th day of May, 2010

MP Jhunjunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay
Company Secretary

R K Sharma

V K Mushran

M G Todi

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PROFIT & LOSS ACCOUNT

		(Rs. '000)	
		For the year ended 31st March	
	Schedule	2010	2009
INCOME			
Sales	14	1329491	1105676
Less : Excise Duty		102391	120060
Net Sales		1227100	985616
Increase / (Decrease) in Stock	15	52476	(17135)
Other Income	16	2638	9451
Impairment of Assets Written Back		262	930
		1282476	978862
EXPENDITURE			
Cost of Materials Consumed		898817	728406
Purchase of Trading Goods		5610	-
Manufacturing, Selling & Administrative Expenses	17	249873	180344
Interest		26476	14482
Depreciation		24187	7300
Rights Issue Expense Written Off		-	2498
		1204963	933030
PROFIT BEFORE TAX		77513	45832
Provision for Taxation :			
Fringe Benefit Tax		-	(526)
Provision for Fringe Benefit tax Written Back		193	-
Income Tax for Earlier Years		(91)	-
Current Tax		(14450)	(5117)
Minimum Alternate Tax Credit Entitlement		1283	
Deferred Tax		(10997)	(12161)
PROFIT AFTER TAX		53451	28028
Balance Brought Forward		93367	74699
BALANCE AVAILABLE FOR APPROPRIATION		146818	102727
APPROPRIATIONS :			
Proposed Dividend		8000	8000
Provision for Tax on Dividend		1329	1360
Surplus carried to Balance Sheet		137489	93367
Basic and Diluted Earning Per Share Rs.		0.67	0.39
Face Value of Equity Share Rs.		1.00	1.00
Accounting Policies and Notes on Accounts	18		

The Schedules referred to above form integral part of the Accounts

As per our report of even date attached

for A L P S & CO.
Chartered Accountants

A K Khetawat
Partner
Membership No.052751
Firm's ICAI Regn. No. 313132E

Kolkata
Dated : 20th day of May, 2010

M P Jhunjunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay
Company Secretary

R K Sharma

V K Mushran

M G Todi

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CASH FLOW STATEMENT

(Rs.'000)
For the year ended 31st March

A. CASHFLOW FROM OPERATING ACTIVITIES

Net Profit before tax and extraordinary items:

Adjustment for :

Depreciation	24187	7300
Provision for Impairment of Assets	(262)	(930)
Provision for Doubtful Debts/Advance	624	603
Dividend Received/Profit on sale of Current Investment	(53)	(150)
Deferred Tax	(10997)	(12161)
Taxation for Earlier Years	102	-
Minimum Alternate Tax Credit Entitlement	1283	-
Provision for Taxation	(14450)	434
		(5643)

(Profit)/Loss on sale of fixed assets

Interest Paid

Less : Interest Received

Operating Profit before working capital changes

Adjustment for:

Trade and other receivables

Inventories

Trade payables

Cash generated from operations

Taxation

Adjustment of Deferred Tax

Right Issue Expense

Net cash from operating activities

	98	315
	26476	14482
	(1032)	(8109)
	25444	6373
	103489	41539
	80288	(126932)
	16753	(75690)
	29003	29843
	229533	(131240)
	13242	5133
	10997	12161
	-	2498
	253772	(111448)

B. CASHFLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets

Sale/Adjustment of fixed assets

Dividend Received/Profit on sale of Current Investment

Interest received

Net cash used in investing activities

(333061)	(76681)
33	71
53	150
1032	8109
(331943)	(68351)

C. CASHFLOW FROM FINANCIAL ACTIVITIES

Increase in Share Capital

Securities Premium

Proceeds from long term borrowings

Proceeds from short term borrowings

Interest paid

Dividend Paid including dividend tax

Right Issue Expense

Net cash used in financing activities

-	33000
-	99000
49880	93202
62905	(21417)
(26476)	(14482)
(9360)	(5499)
-	(2498)
76949	181306

NET INCREASE IN CASH AND CASHEQUIVALENTS (A+B+C)

Cash and cash equivalents opening balance:

Cash and bank balance

Cash and cash equivalents closing balance:

Cash and bank balance

(1222)	1507
23597	22090
22375	23597

As per our report of even date attached

for A L P S & CO.
Chartered Accountants

A K Khetawat

Partner

Membership No.052751

Firm's ICAI Regn. No. 313132E

Kolkata

Dated : 20th day of May, 2010

M P Jhunjunwala

Chairman & Managing Director

Kailash Baheti

Chief Executive Officer

and Chief Financial Officer

Suhita Mukhopadhyay

Company Secretary

R K Sharma

V K Mushran

M G Todi

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SCHEDULES

(Rs. '000)
As at 31st March

	2010	2009
1. Share Capital		
Authorised 120,000,000 Equity Shares of Re.1/- each	120000	120000
	<u>120000</u>	<u>120000</u>
Issued Subscribed & Paid-up 80,000,000 Equity Shares of Re. 1/- each	80000	80000
	<u>80000</u>	<u>80000</u>
2. Reserve & Surplus		
Securities Premium Account	99000	99000
Surplus as per Profit & Loss Account	137489	93367
	<u>236489</u>	<u>192367</u>
3. Secured Loans:		
Loans from Banks :		
Vehicles Loan from :		
ICICI Bank	225	503
HDFC Bank	345	645
State Bank of India	1538	1579
Axis Bank	1043	-
Buyers Credit from :		
State Bank of India	-	11223
Cash Credit Account		
State Bank of India	46728	
Axis Bank	27400	
Term Loan from :		
State Bank of India	150000	96419
Other Loans :		
Term Loans from Govt. of West Bengal :		
Soft Loan	48000	48000
Sales Tax Loan	31400	31400
	<u>306679</u>	<u>189769</u>
4. Unsecured Loans		
Other Loans :		
Deferred Sales Tax	25251	29376
	<u>25251</u>	<u>29376</u>
5. Deferred Tax Liabilities		
On Other Timing Differences on Depreciation	23056	10928
<i>Deferred Tax Assets</i>		
On Unabsorbed Loses	20	21
On Other Timing Differences	4557	3425
	<u>4577</u>	<u>3446</u>
	<u>18479</u>	<u>7482</u>

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

6. Fixed Assets

(Rs. '000)

DESCRIPTION	C O S T				D E P R E C I A T I O N				N E T B L O C K	
	As on 01.04.09	Addition	Sale/ Adjustment	As at 31.03.10	Up to 01.04.09	For the Year	Sale/ Adjustment	Up to 31.03.10	As at 31.03.10	As at 31.03.09
Leasehold Land (Inclusive of site Development)	1,219	43	-	1,262	-	-	-	-	1,262	1,219
Building	50,019	48,662	-	98,681	22,147	2,477	-	24,624	74,057	27,872
Plant & Machinery	141,279	319,243	853	459,669	114,110	18,396	771	131,735	327,934	27,169
Electric Installations	12,030	28,436	-	40,466	9,056	1,334	-	10,390	30,076	2,974
Vehicles	8,020	2,102	-	10,122	1,996	827	-	2,823	7,299	6,024
Furniture & Fittings	6,611	732	12	7,331	4,775	257	2	5,030	2,301	1,836
Office Equipments	11,160	4,340	843	14,657	8,511	911	804	8,618	6,039	2,649
Total	230,338	403,558	1,708	632,188	160,595	24,202	1,577	183,220	448,968	69,743
Previous Year	220,070	11,176	908	230,338	153,817	7,300	522	160,595		
Capital Work-in-Progress									1,252	71,734

7. Pre-Operative Expenditure

(Rs. '000)

	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Cost of Materials Consumed	27457	-
Stores & Spares Consumed	4369	-
Power & Fuel	2334	456
Packing Expenses	48	-
Salaries & Wages	3968	3792
Employees Welfare Expenses	61	2
Contribution to Provident Fund & Other Fund	313	172
Rent, Rates & Taxes	175	-
Insurance	57	460
Bank Charges	-	3837
Interest	5493	1496
Repairs & Maintenance to others	11	69
Miscellaneous Expenses	2051	2231
Depreciation	15	-
	46352	12515
Less :		
Sales	28391	-
Less :		
Excise Duty	2161	
Net Sales	26229	
Stock in Trade	11929	
	38158	-
	8194	12515
Add :		
Pre-Operative Expenses incurred upto Previous Year	13894	2243
	22088	14758
Less :		
Allocated to Fixed Assets	22088	864
	-	13894

SCHEDULES

(Rs. '000)
As at 31st March

	2010	2009
8. Inventories (as taken, valued and certified by the management)		
Stock-in-trade		
Raw Materials	23794	4531
Work-in-Progress	68133	26951
Finished Goods	16977	5683
Stores & Spare Parts	30539	119031
	<u>139443</u>	<u>156196</u>
9. Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- considered good	1964	2681
- considered doubtful	919	557
Other debts		
- considered good	177808	103904
- considered doubtful	54	
	<u>180745</u>	<u>107142</u>
Less : Provision for Doubtful Debts	974	557
	<u>179771</u>	<u>106585</u>
10. Cash & Bank Balances		
Cash in Hand	777	579
Balance with Scheduled Banks in		
Current Account	8134	13812
Fixed Deposit	13464	9206
	<u>22375</u>	<u>23597</u>
11. Loans & Advances (Unsecured)		
Considered Good		
Deposits	6473	5927
Advance Payment of Current Tax	26925	15835
Advance for Fringe Benefit Tax (Net of Provision)	149	-
Advances recoverable in cash or in kind or for value to be received	13196	179079
	<u>46743</u>	<u>200841</u>
Considered Doubtful :		
Advances recoverable in cash or in kind or for value to be received	563	356
Less : Provision for Doubtful Advances	563	356
	<u>-</u>	<u>-</u>
	<u>46,743</u>	<u>200841</u>
12. Current Liabilities		
Sundry Creditors	78137	61354
Deposits from Dealers	2304	2281
Advances against Sales	6572	6169
Other Liabilities	41709	30754
Interest accrued but not due	3495	2797
Investor Education & Protection Fund		
Unpaid Right Issue Account	35	35
Unclaimed Dividend Account (07-08)	132	135
Unclaimed Dividend Account (08-09)	144	
	<u>132528</u>	<u>103525</u>
13. Provisions		
Provision for Impairment of Assets	-	262
Provision for Income Tax	29797	16539
Provision for Dividend	8000	8000
Provision for Dividend Distribution Tax	1329	1360
Provision for Fringe Benefit Tax (Net of advance)	-	16
	<u>39126</u>	<u>26177</u>

SCHEDULES

	(Rs. '000)	
	For the year ended 31st March	
	2010	2009
14. Sales		
Manufacturing (Tax Deducted Rs. 35700, Previous year Rs. 87132)	1323777	1105676
Trading	5714	-
	<u>1329491</u>	<u>1105676</u>
15. Increase / (Decrease) in Stock		
Opening Stock		
Work-in-Progress	26951	38895
Finished Goods	5683	10874
	<u>32634</u>	<u>49769</u>
Closing Stock		
Work-in-Progress	68133	26951
Finished Goods	16977	5683
	<u>85110</u>	<u>32634</u>
Increase / (Decrease) in Stock	<u>52476</u>	<u>(17135)</u>
16. Other Income		
Interest (Gross) (Tax Deducted Rs. 79583, Previous year Rs. 1789964)	1032	8109
Miscellaneous Income	537	902
Liabilities no Longer Payable written back	218	125
Rent Received	128	107
Dividend Received on Current Investments	37	149
Profit on Sale of Current Investments	16	1
Bad Debts Recovered	-	22
Exchange Fluctuation	462	-
Insurance Claim Received	208	36
	<u>2638</u>	<u>9451</u>
17. Manufacturing, Selling & Administrative Expenses		
Stores & Spares Consumed	15529	9698
Power & Fuel	77083	49022
Packing Expenses	11758	10402
Freight & Forwarding Charges	20347	13592
Salaries & Wages	70603	51131
Employees Welfare Expenses	2170	1462
Contribution to Provident Fund & Other Fund	6677	5360
Rent, Rates & Taxes	3461	1057
Insurance	802	554
Bank Charges	7850	7329
Advertisement	188	229
Repairs & Maintenance		
Building	888	247
Machinery	8002	7515
Others	2099	1234
Managing Director's Remuneration	2781	2120
Directors Sitting Fees	240	243
Bad Debts	596	247
Doubtful Advances	207	356
Exchange Fluctuation	-	4119
Miscellaneous Expenses	18425	13873
Loss on sale/discard of Fixed Assets (Net)	98	315
Sales Tax Paid	69	239
	<u>249873</u>	<u>180344</u>

18. Accounting Policies and Notes on Accounts

1. Accounting Policies

a. Basis of Accounting

The financial statements have been prepared to comply in all material respects with the notified accounting standard by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

c. 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.

d. 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 are charged to such asset and the balance distributed over the related fixed assets in proportion to their respective values.

e. Capital work-in-Progress:

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

f. 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.

g. 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.

h. Dies and Tools:

Expenditure incurred on different heads for manufacture of dies and tools are charged to profit and loss account. The expenditure on dies manufactured for expansion is shown as Dies - in - process under inventory for stores and spare parts to be charged to profit and loss account as and when the dies would be first used for production.

i. Sales:

Sales include excise duty wherever applicable.

j. 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.

k. Foreign Currency Expenditure:

i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii) Conversion

The monetary assets and liabilities in foreign currency existing at Balance Sheet date are

accounted for at prevailing exchange rate at the year end.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii) **Exchange Differences**

Exchange Differences, arising on settlement / conversion of monetary items, are recognized as income or expenses in the year in which they arise except those relating to acquisition of imported fixed assets, in which case such exchange differences are capitalized.

iv) **Forward Exchange Contracts**

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.

v) **Derivatives**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Company designates these as cash flow hedges. The Company does not use derivative financial instruments for speculative purposes.

In respect of derivative contracts, premium paid, gains / losses on settlement and provision for losses for cash flow hedges are recognized in the Profit & Loss Account, except in case where they relate to borrowing costs that are attributable to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

At every period end, all outstanding derivative contracts are fair valued on a marked-to-market basis and any loss on valuation is recognized in the profit and loss account. Any gain on marked-to-market valuation of respective contracts is only recognized to the extent of the loss on foreign currency, keeping in view the principle of prudence as enunciated in AS-1, Disclosure of Accounting Policies.

l. **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.

m **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.

n **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.

o. **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.

p. **Proposed Dividend:**

Dividend (including Dividend Distribution Tax) recommended by the Board of Directors is provided

for in the accounts pending Shareholders' approval.

q Capital Issue Expenses:

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

r 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 its 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 2010 is Rs 85.33 lacs (Previous year Rs 817.38 lacs).
- b. The Company had imported machinery on subsidized rate of duty under Export Promotion Capital Goods Scheme (EPCG). Accordingly the Company is under an obligation to export to the extent of Rs. 3486.49 lacs, i.e. eight times of the duty saved, in eight years from the date of issue of authorization. During the year the Company has made export for the value of Rs. 197.79 lacs. If the Company is unable to fulfill the full export obligation within the stipulated period, it would be liable to pay proportionate duty saved along with interest at the rate of 15% p.a.
- c. Bank Guarantees outstanding Rs.244.82 lacs (previous year Rs.111.68 lacs) and Letters of Credit issued by Banks on behalf of the Company Rs 940.00 lacs (Previous year 683.04 lacs) against which Rs. 119.64 lacs (previous year Rs. 92.06 lacs) have been deposited with the Banks as Margin Money.
- d. Bills discounted with banks Rs 215.74 lacs (previous year Rs. 129.39 lacs) and with third party Rs 26.70 lacs. (Previous year Nil).
- e. The Company has received Sales Tax demand of Rs. 10.04 lacs, Rs. 8.34 lacs, Rs.10.29 lacs and Rs. 66.06 lacs respectively for the years 2003-2004, 2004-2005, 2005-2006 and 2006-2007 against which the Company has preferred appeals before the higher authorities.
- 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 honorable 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. Soft Term Loan of Rs. 480.00 lacs (Previous year Rs. 480.00 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, (except the fixed assets to be created out of the term loan of Rs. 1500.00 lacs from State Bank of India on which the bank would have exclusive first charge and the other consortium banks along with Govt. of West Bengal would have pari passu second charge) situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with fund and non-fund balances of Rs.1926.09 lacs which the Company has availed from State Bank of India and Axis Bank Ltd. A sum of Rs 80.00 lacs (Previous year Nil) is repayable within next 12 months towards loan amount.
- b. Sales Tax Term Loan of Rs.314 lacs from Govt. of West Bengal is secured by way of residuary charge on all fixed assets of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal. A sum of Rs 39.25 lacs (Previous year Nil) is repayable within next 12 months towards loan amount.
- c. Fund Based and Non-fund based working capital balances of Rs.1926.09 lacs availed from State Bank of India and Axis Bank Ltd. 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, (except the fixed assets to be created out of the term loan of Rs. 1500.00 lacs from State Bank of India on which the bank would have exclusive first charge and the other consortium banks along with Govt. of West Bengal would have pari passu second charge) situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with Govt. of West Bengal for Soft Term Loan of Rs.480.00 lacs (Previous year Rs.480.00 Lacs).
 - ii) By first charge by hypothecation of stocks, receivables and other current assets
 - iii) By personal guarantees of the Chairman & Managing Director and one other Director of the Company.

d Term Loan of Rs.1500.00 lacs from State Bank of India which is funded by the Bank for the expansion project (2700 MT new extrusions press line) is secured as follows:-

- i) Exclusive First Charge over Fixed assets created out of this Term Loan.
- ii) Second charge on the current assets of the company
- iii) By personal guarantee of the Chairman & Managing Director and one other director of the Company.

A sum of Rs 300.00 lacs (Previous year Nil) is repayable within next 12 months towards loan amount.

- e. Vehicle Loans from ICICI Bank are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 1.32 lacs (Previous year Rs.2.77 lacs) is repayable within next 12 months towards loan amount.
- f. Vehicle Loans from HDFC Bank are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 1.68 lacs (Previous year Rs.3.00 lacs) is repayable within next 12 months towards loan amount.
- g. Vehicle Loans from State Bank of India are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 4.80 lacs (Previous year Rs.3.49 lacs) is repayable within next 12 months towards loan amount.
- h. Vehicle Loan from Axis Bank Ltd.is secured by hypothecation of vehicle purchased out of the said loan. A sum of Rs.1.88 lacs (Previous year Nil) is repayable within next 12 months towards loan amount.

4. The Company is entitled to certain incentives from the Govt. of West Bengal under the West Bengal Incentive Scheme 2004 (WBIS 2004) in connection with its expansion project to manufacture 7500 MT aluminum extrusions per annum. While the Company has been duly registered under WBIS 2004, and has also received the eligibility certificate for incentives, the process of fixation

of the exact value of incentives is still in progress. Pending such fixation of the eligible amount of incentives, the Company has not made any provision for incentives in the Financial Year 2009-2010.

5. The lease period of a part comprising 2.42 acres (Previous year 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.

6. 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. Nil due from an officer of the Company. Maximum balance outstanding at any time during the year is Rs.0.25 lacs.

B. Sundry Debtors include:

Rs.9.67 lacs (previous year Rs.15.68 lacs) due from a private company in which a Director of the Company is interested as a director.

7. Cash in Foreign Currency: Cash in hand includes foreign currency in hand equivalent to Nil (Previous year 0.46 lacs)
8. The Company has provided for / paid Minimum Alternate Tax (MAT) of Rs.6.17 lacs (net of MAT adjusted during current Financial Year), Rs.30.63 lacs, Rs.63.54 lacs, and Rs.37.29 lacs for the years 2005-2006, 2006-2007, 2007-2008 and 2008-2009 respectively. As per applicable provisions of the Income Tax Act, the Company is eligible to adjust the MAT against its regular Income Tax liability arising in any of the corresponding subsequent 10 financial years.
9. Disclosure of Sundry Creditors under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and medium Enterprises Development Act, 2006:

	31.03.2010 Rs. in lacs	31.03.2009 Rs. in lacs
a) Principal Amount Outstanding/ Interest amount payable thereon	1.04 0.10	1.62 Nil
b) The amount of interest paid by the buyer in terms of section 16 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	4.16	Nil
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified	0.10	Nil
d) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.10	Nil
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 2	Nil	Nil

10. The commercial production from the expansion project to manufacture additional quantity of 7500 MT of aluminium extrusions commenced on 24th August 2009.

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.

11. Employees Benefit:

Employee Benefits have been provided as per provisions of Revised Accounting Standard 15 (AS15).

Defined Contribution Plan

(Rs. in lacs)

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

For the year ended 31st March

	2010	2009
Employer's Contribution to Provident Fund	24.39	18.77
Employer's Contribution to Pension Fund	21.28	18.55

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

Defined Benefit Plan

The Century Extrusions Employee's Gratuity Fund 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

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

	For the year ended 31 st March	
	2010	2009
Leave Encashment (Unfunded)	Rs. in lacs	
Defined Benefit obligation at beginning of the year	31.47	24.88
Current Service Cost	5.03	0.92
Interest Cost	3.08	2.64
Actuarial - gain (-) / loss (+)	7.37	4.64
Benefits paid	(-) 1.30	(-) 1.61
Defined Benefit obligation at year end	45.65	31.47
Gratuity (Funded)		
Defined Benefit obligation at beginning of the year	137.73	92.50
Current Service Cost	13.37	11.93
Interest Cost	12.77	10.79
Actuarial - gain (-) / loss (+)	20.86	25.01
Benefits paid	(-) 3.22	(-) 2.50
Defined Benefit obligation at year end	181.51	137.73

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

Gratuity (Funded)		
Fair value of plan assets at beginning of the year	99.46	73.10
Employer contribution	14.14	20.63
Benefits paid	(-) 3.22	(-) 1.37
Actual return on plan assets	9.94	7.10
Fair value of plan assets at year end	120.32	99.46

III. Reconciliation of fair value of assets and obligations

Leave Encashment (Unfunded)		
Fair value of plan assets	Nil	Nil
Present value of obligation	45.65	31.47
Amount recognized in Balance Sheet	45.65	31.47
Reconciliation of fair value of assets and obligations		
Gratuity (Funded)		
Fair value of plan assets	120.32	99.46
Present value of obligation	181.51	137.73
Amount recognized in Balance Sheet	61.19	38.27

For the year ended 31st March

2010 2009

Rs. in lacs

IV. Expense recognized during the year

Gratuity (Funded)

Current Service Cost	13.37	11.93
Interest Cost	12.77	10.79
Expected Return on Plan Assets	(-)8.79	(-)8.52
Net Actuarial – gain (-) / loss (+)	19.70	25.01
Recognized during the year	37.05	39.21
Actual Return on Plan Assets	9.94	7.10

Expense recognized during the year

Leave encashment (Unfunded)

Current Service Cost	5.02	0.92
Interest Cost	3.08	2.64
Expected Return on Plan Assets	-	-
Net Actuarial – gain (-) / loss (+)	7.37	4.64
Recognized during the year	15.48	8.20
Actual Return on Plan Assets	-	-

V. Investment details

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

VI. Actuarial assumptions (year 2009-10)

Mortality Table (LIC)

Discount rate (per annum)

Expected rate of return on plan assets (p.a.)

Rate of escalation in salary (p.a.)

Actuarial assumptions (year 2008-09)

Mortality Table (LIC)

Discount rate (per annum)

Expected rate of return on plan assets (p.a.)

Rate of escalation in salary (p.a.)

Gratuity (Funded)	Leave encashment (Unfunded)
1994-96(Ultimate)	1994-96(Ultimate)
8.00%	8.00%
8.00%	N.A.
5.00%	5.00%

Gratuity (Funded)	Leave encashment (Unfunded)
1994-96(Ultimate)	1994-96(Ultimate)
7.50%	7.50%
8.90%	N.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 an Actuary.

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.

12. Segment Reporting:

The Company has two business segments i.e. manufacturing of Aluminium Extruded products and manufacturing of Transmission and Distribution Line Hardware. However, the Company does not fall under any of the criteria laid down under AS –17 and hence segment reporting is not applicable.

13. The Company has made donation of Rs.1000.00 (Previous year Nil) to a party affiliated to Indian National Congress.

13. Licensed & Installed Capacity, Production, Stocks and Turnover:

	2009-10		2008-09	
	MT	Rs.'000	MT	Rs.'000
a) Licensed Capacity				since increased
b) Installed Capacity				
Aluminium Extrusions	12039		7500	
Power T & D Hardware	6000		6000	
(As certified by Management)				
c) Production				
Aluminium Extrusions	8829		6320	
Power T & D Hardware	48		28	
d) Stocks				
Opening				
Aluminium Extrusions	47	5683	64	10874
Closing				
Aluminium Extrusions	116	16977	47	5683
e) Purchases				
Aluminium Products	81.78	5610	-	-
f) Turnover				
(i) Manufacturing				
Aluminium Extrusions	8760	1333776	6338	1089934
Power T & D Hardware	48	6865	28	5754
Others		11526	-	9988
(ii) Trading				
Aluminium Products	81.78	5714	-	-

Notes Production and Turnover includes:

1. 53.82 MT valued at Rs.1432.05 thousand (previous year 101.15 MT valued at Rs. 2978 thousand) on account of conversion
2. 1.023 MT used captively
3. Production of 187.358 MT and Sale of 187.358 MT valued Rs.28390 thousand on account of Trial Run

14. Raw Material Consumed

a) Aluminium Ingots, Billets etc	9136	887213	6190	691388
c) Others		27132		37018
	%	Value	%	Value
		Rs.'000		Rs.'000

15. Value of Imported and Indigenous Goods consumed and percentage thereof:

Raw Material				
Imported	2	19428	2	18056
Indigenous	98	894917	98	710350
Stores & Spares				
(Including value of items consumed for manufacture of dies)				
Imported	43	8628	44	4219
Indigenous	57	11270	56	5479

	2009-10 Value Rs.'000	2008-09 Value Rs.'000
16. CIF value of Imports		
Raw material	15029	20160
Stores & Spare parts	12886	9874
Purchase of Trading Goods	5714	222421
	33629	252455
17. FOB value of Exports	1647	-
18. Expenditure in Foreign Currency		
Travel	-	1487
Bank Charges	13	141
Interest Paid	-	486
Professional Charges	431	-
	444	2114
19. a) Auditors' Remuneration		
Audit Fees	120	120
Tax Audit Fees	30	30
Other Services	62	35
	212	185
b) Cost Audit Fees	8	8
20. Remuneration to Managing Director		
Salary	1810	1200
Perquisites	971	920
Contribution to Provident Fund	217	144
	2998	2264
21. 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 Ltd	Associated Concern	
6 Multi Metal Udyog (upto 30/09/2009)	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 MP 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**

Relatives of Shri Kailash Baheti
Shri Shankar Lal Baheti
Smt. Bimla Devi Baheti
Smt. Shashi Baheti
Ms Ankita Baheti
Ms Apoorva Baheti

: Chief Executive Officer & Chief Financial Officer

: Father
: Mother
: Wife
: Daughter
: Daughter

(ii) **Shri J. K. Malpani**

Relatives of Shri J.K. Malpani
Smt. Deepa Malpani
Ms Shikha Malpani

: President

: Wife
: Daughter

c) **Disclosure of related party transactions:
Current Year (2009-10)**

Sr. No.	Nature of relationship / transaction	Associated Concerns	Key Management Personnel	(Rs.in '000) Relatives of Key Management Personnel
1	Purchase of Goods	7,913	-	-
2	Sale of Goods	15,024	-	-
3	Rent Paid	834	-	-
4	Rent Received	80	-	-
5	Interest Paid	19	-	-
6	Sale of Fixed Assets	-	-	-
7	MD Remuneration	-	2,998	-
8	Remuneration to CEO & CFO	-	5,266	-
9	Remuneration to President	-	2,749	-
10	Directors Sitting Fees	-	-	68
11	Loan Taken	3,750	-	-
12	Loan Repaid	3,750	-	-

Previous Year (2008-09)

Sr. No.	Nature of relationship / transaction	Associated Concerns	Key Management Personnel	Relatives of Key Management Personnel
1	Purchase of Goods	30,937	-	-
2	Sale of Goods	25,650	-	-
3	Rent Paid	754	-	-
4	Rent Received	36	-	-
5	Interest Paid	20	-	-
6	Sale of Fixed Assets	71	-	-
7	MD Remuneration	-	2,998	-
8	Remuneration to CEO & CFO	-	3,588	-
9	Remuneration to President	-	1,851	-
10	Directors Sitting Fees	-	-	243
11	Loan Taken	6,700	-	-
12	Loan Repaid	6,700	-	-

d) **Outstanding balances as on :**

	(Rs.'000)	(Rs.'000)
Loans & Advances	2009-10	2008-09
Associated Concerns	3,500	3,503
Key Management Personnel & Relatives	-	-
Sundry Creditors		
Associated Concerns	7	16
Key Management Personnel & Relatives	-	-
Unsecured Loans		
Associated Concerns	-	-
Key Management Personnel & Relatives	-	-
Sundry Debtors		
Associated Concerns	3,621	2,261
Key Management Personnel & Relatives	-	-

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

Profit for the year	77,513	45,832
Income Tax	(14,450)	(5,117)
Fringe Benefit Tax	-	(526)
Deferred Tax	(10,997)	(12,161)
MAT Credit Entitlement	1,283	-
Provision for Fringe Benefit Tax written Back	193	-
Income Tax for earlier years	(91)	-
Net Profit	53,451	28,028
Equity Shares	(Number in '000) 80,000	80,000
Weighted average no. of equity shares outstandings	Rs.'000 80,000	71,159
Basic and diluted earnings per share	0.67	0.39

**23. 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 A L P S & CO.
Chartered Accountants

A K Khetawat
Partner
Membership No.052751
Firm's ICAI Regn. No. 313132E

Kolkata
Dated : 20th day of May, 2010

M P Jhunjunwala
Chairman & Managing Director

Kailash Baheti
Chief Executive Officer
and Chief Financial Officer

Suhita Mukhopadhyay
Company Secretary

R K Sharma

V K Mushran

M G Todi

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CENTURY EXTRUSIONS LIMITED

Regd. Office: 113, Park Street, 'N' Block, 2nd Floor, Kolkata-700016.

Attendance Slip

Regd. Folio No. :

Name :

Address :

No. of Shares :

I hereby record my presence at the 22nd Annual General Meeting of the Company at "Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - at 11.00 A.M. on Friday, the 30th day of July, 2010.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.

CUT HERE

CENTURY EXTRUSIONS LIMITED

Regd. Office: 113, Park Street, 'N' Block, 2nd Floor, Kolkata-700016 .

Proxy Form

I/We

of

being a member / members of the above named Company, hereby appoint of

..... or failing him of

as my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 30th July, 2010 and any adjournment thereof.

Affix
Re 1 revenue
stamp here

Signature

Note : The proxy must be returned so as to reach the Registered Office of the Company at 113, Park Street, 'N' Block, 2nd Floor, Kolkata-700016, not less than FORTY-EIGHT HOURS before the time for holding the aforesaid meeting.