DRAFT LETTER OF OFFER	Private and Confidential (For Equity Shareholders-Beneficial Owners of the Company only)

CENTURY EXTRUSIONS LIMITED

(Reg No. – 043705 of 1988, CIN No. L27203WB1988PLC043705)
(Incorporated as a limited company under the Companies Act, 1956 on February 02, 1988)
Registered Office: 113, Park Street, 'N' Block , 2nd Floor, Kolkata- 700 016
Tel No: (033) 2229 1012 / 1291, Fax No: (033) 2226 1110, E-Mail: century@centuryextrusions.com
Website: www.centuryextrusions.com
Manufacturing Plant: WBIIDC Industrial Growth Centre, Plot No.7A, Sector 'B' Nimpura, P.O.: Rakhajungle, Kharagpur – 721 301 Dist.: Midnapur, West Bengal
Contact Person: Mr. Sumit Saraogi, Compliance Officer, Manager Finance
For private circulation to the Equity Shareholders of the Company only

LETTER OF OFFER

Issue of 3,30,00,000 Equity Shares of Re. 1 each for cash at a price of Rs. 4 per Equity Share (including premium of Rs. 3 per Equity Share) aggregating to Rs 1320 Lacs (Rupees Thirteen Crore and Twenty Lacs) on Rights basis to the existing Equity Shareholders of the Company in the ratio of 33(Thirty Three) Equity Share for every 47(Forty Seven) Equity Shares held on Record Date i.e. [*] The face value of the Equity Share is Re. 1 and Issue Price is 4 times the face value.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. **Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue.** For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Investors are advised to refer to "Risk Factors" on page [*] of this Letter of Offer before making an investment in this issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in the context of this Issue, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENTS

The Equity Shares offered through this Draft Letter of Offer are proposed to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE) where the existing Equity Shares of our Company are listed. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares to be allotted pursuant to the Issue, vide letters dated [*] and [*], respectively. BSE is the Designated Stock Exchange. Our Equity Shares are also listed on the CSE, but the Company vide its application dated 26th November 2004 to CSE has applied for the delisting of its Equity Shares.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
VC CORPORATE ADVISORS PVT. LTD. SEBI Regn. No. INM000011096 31, Ganesh Chandra Avenue 2nd Floor, Suite No. 2C Kolkata-700 013 Ph: 033 2225 3940 / 3941 Fax: 033 2225 3941 Web Site : www.vccorporate.com E-mail: - mail@vccorporate.com Contact Person : Tanmay Kumar Saha	**MCS Limited** SEBI REGN NO: INR000000056 77/2A, Hazra Road, Kolkata-700 029 Phone No: (033) 2454-1892/3 Fax: (033) 2454-1961/ 2474-7674 E-mail: mcscal@cal2.vsnl.net.in Contact Person : Mr. Alok Mukherjee

ISSUE PROGRAM

ISSUE OPENS ON	LAST DATE FOR RECEIPT OF REQUESTS FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON

TABLE OF CONTENTS

A. DEFINITION AND ABBREVIATIONS

I. CONVENTIONAL / GENERAL TERMS

Terms	Description
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended
DIN	Director Identification Number
EGM	Extra Ordinary General Meeting
EPS	Earning Per Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations1995), registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
GIR	General Index Register
HUF	Hindu Undivided Family
IDBI	Industrial Development Bank of India Limited
IFCI	Industrial Finance Corporation of India
N. A.	Not Applicable
NAV	Net Asset Value
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
P.A.	Per Annum
P/E	Price Earning Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBIDT	Profit Before Interest, Depreciation and Tax
PBT	Profit Before Tax
R&D	Research and Development
RBI	The Reserve Bank of India
RONW	Return on Net Worth
Rs.	Indian National Rupee
SBI	State Bank of India
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI Takeover Regulations / Regulations / SAST	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 1997, as amended
SSI	Small Scale Industries

II. ISSUE RELATED TERMS / ABBREVIATIONS

Allotment	Issue or transfer, as the context requires, of Equity Shares pursuant to the Offer to the successful applicants as the context requires Companies Act, 1956 and subsequent amendments thereof.
Allottee	The successful applicant to whom the Equity Shares are being/have been issued or transferred.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Letter of Offer.
Articles/Articles of association	Article of Association of Century Extrusion Limited
ASE	Ahmedabad Stock Exchange Association Limited
Auditors	The statutory auditors of the Company, viz, ALPS & Co. Chartered Accountants.
Board of Director/ Board	The Board of Directors of Century Extrusions Ltd or a committee thereof
BSE	Bombay Stock Exchange Limited
CENTURY EXTRUSIONS LIMITED/ We / Us / Our / Issuer Company / the Company / the issuer	Unless the context otherwise requires, refers to Century Extrusions Ltd., a public limited company or incorporated under the Companies Act 1956 and having its registered office at 113, Park Street, 'N' Block, 2nd Floor, Kolkata – 700 016
Companies Act/ the Act	The Companies Act, 1956, as amended from time to time.
CSE	The Calcutta Stock Exchange Association Limited .
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act
Directors	Directors of Century Extrusions Limited from time to time, unless otherwise specified
DSE	Delhi Stock Exchange Association Limited
Equity Shareholders	Equity Shareholders of the Company whose names appear as; • Beneficial owner as per the list furnished by the Depositories in respect of the Equity Share held in electronic form as on the Record Date [*] and • Members on the Register of Members of the Company in respect of the Equity Share held in physical form as on Record Date [*].
Equity Shares	Equity shares of the Company of Re. 1/- each unless otherwise specified in the context thereof
First Applicant	The Applicant whose name appears first in the Application Form.
Fiscal or FY or Financial Year	Twelve months ending March 31st of a particular year.
Indian GAAP	Generally Accepted Accounting Principles in India
Lead Manager/LM	Being the Lead Manager appointed for the Issue. In this case being VC Corporate Advisors Pvt. Ltd.
Memorandum/MoA/ Memorandum of Association	The Memorandum of Association of Century Extrusions Ltd.
Non Resident	A person who is not a NRI, FII or a person resident in India
NSE	National Stock Exchange of India Limited
OCBs	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
Promoter Group	Unless the context otherwise requires, refers to those companies mentioned in the section titled "Our Promoter - Promoter Group" on page [*]. of this Letter of Offer.
Promoters	Unless the context otherwise requires, refers to Mr. M. P. Jhunjhunwala and Mr. Vikram Jhunjhunwala.
Record Date	*********
Registered Office of the	Registered Office of the Company situated at 113, Park Street, 'N' Block , 2nd Floor,

Company	Kolkata- 700 016
Registrar of Companies or RoC	Registrar of Companies at Kolkata, West Bengal.
Registrar or registrar to the Issue	MCS Limited, a company incorporated under the Companies Act, having its registered office at 77/2A, Hazra Road, Kolkata – 700 029
Renouncee	The person who has acquired Rights entitlement from any equity shareholders of the Company.
Right Issue/ Present Issue	Issue of 3,30,00,000 Equity Shares of Re. 1/- each for cash at a price of Rs. 4 per Equity Share (including premium of Rs. 3 per Equity Share) aggregating to Rs. 1320 Lacs on Rights basis to the existing Equity Shareholders of the Company in the ratio of 33 (Thirty Three) Equity Share for every 47(Forty Seven) Equity Shares held on Record Date i. e. [*].
SAL	Sangam Aluminium Ltd.
SEBI (SAST) Regulations, 1997/ Takeover Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
UPSE	Uttar Pradesh Stock Exchange Association Limited

III. COMPANY / INDUSTRY RELATED TERMS

Term	**Description**
CCD	Circumscribing Circle Diameter
CENVAT	Central Value Added Tax
CFM	Cubic Feet per Minute
Kg	Kilogram
KVA	Kilo Volt Ampere
KW	Kilo-watt
LPM	Litres Per Minute
MGS	Mat Ground Surface
MIG	Metal Inert Gas
mm	Millimeters
MT	Metric Ton
TIG	Tungsten Inert Gas

IV. ABBREVIATIONS

Term	**Description**
BALCO	Bharat Aluminium Co. Ltd.
BIFR	Board for Industrial & Financial Reconstruction
HINDALCO	Hindalco Industries Ltd.
ICICI	Industrial Credit and Investment Corporation of India
IDBI	Industrial Development Bank of India
IFCI	Industrial Finance Corporation of India
ISO	International Organization for Standardization
MALCO	Madras Aluminium Co. Ltd
NALCO	National Aluminium Co. Ltd.
OTS	One Time Settlement
WBIIDC	West Bengal Industrial Infrastructure Development Corporation

B. RISK FACTORS

I. FORWARD LOOKING STATEMENTS

Certain Conventions, Use of Market Data

In this Letter of Offer, the terms "we", "us", "our Company", "the Company", "CEL" unless the context otherwise implies, refer to Century Extrusions Ltd.

For additional definitions used in this Offer document, see the sections 'Definitions and Abbreviations' on page no. [*] of this Offer document. In the section entitled "Description of Equity shares and Terms of Articles of Association of Century Extrusions Ltd.", defined terms have the meaning given to such terms in the Articles of Association of the Company.

Market data used throughout this Offer document was obtained from internal Company reports, data and industry publications. Industry publication data generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Although we believe that the market data used in this Offer Document is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed to be reliable, have not been verified by any independent source.

Throughout this document references to the singular also refer to the plural and one gender also refers to any other gender wherever applicable.

Forward Looking Statements

This Offer Document contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like "will", "aim", "likely result", "believe", "expect", "will continue", "anticipate", estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions, that are "forward looking statements". Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us, that could cause actual results to differ materially from those contemplated by the relevant forward looking statements.

Important factors that could affect our results to differ materially from our expectations includes, inter-alia, our ability to successfully implement our strategy, [our growth and expansion], technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and interest policies of Government of India / Reserve Bank of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes, changes in laws and regulations in the Aluminum Extrusion industry, changes in competition in the said industry and force majeure conditions.

For further discussion of factors that could cause our actual results to differ, refer to the section entitled "Risk factors" beginning on page [*] of this Offer Document. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither we, our Directors, the Lead Manager, nor any of their affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date thereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

Currency of Presentation

In this Offer Document, unless the context otherwise requires, all references to the word "Lakh" or "Lac", means "One hundred thousand" and the word "Crore" means "ten million". In this Offer document, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.
All references to "Rupees" and "Rs." in this Offer document are to the legal currency of India.

II. RISK FACTORS ENVISAGED BY MANAGEMENT AND MANAGEMENT'S PROPOSAL TO ADDRESS THE RISKS:

An investment in our Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in our Company's Equity Shares. If any of the following risks occur, our business, financial condition and results of operations could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment.

Materiality

The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

i. Some events may not be material individually but may be found material collectively.
ii. Some events may have material impact qualitatively instead of quantitatively.
iii. Some events may not be material at present but may be having material impact in future.

Note: Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any risks mentioned herein under:

A. SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY

1. Our Company, promoter(s), directors and group companies are involved in certain litigations, a summary of which is given hereunder;

Sr. No.	Particulars of litigations	No. of Cases	Amount (Rs. in Lacs)
A	**Company**		
	(i) Litigation Filed against our company	2	3.07 + Interest & Penalty
	(ii) Litigation filed by our company	9	95.23
B.	**Group Companies**		
	(i) Litigation filed against group companies	10	19.00
	(ii) Litigation filed by Group Companies	20	610.42
C.	**Promoter(s) / Directors**		
	(i) Litigation filed against promoters / Directors	2	N.A.
	(ii) Litigation filed by promoters / Directors	2	28.38

2. The name of the Promoters of our Company viz. Mr. M.P Jhunjhunwala and Mr. Vikram Jhunjhunwala appears in the RBI defaulter list.

The Promoters of our Company had provided the personal guarantees in respect of loans given by banks/Financial Institutions to M/s Sangam Aluminium Limited (SAL), a sick Industrial company taken over by the promoters in the year March 1997. Due to recession and non viability of operations, a viable rehabilitation package could not be formulated and therefore the BIFR passed an order for the winding up of SAL. The lending institutions /banks filed suits against SAL and personally against both the Promoters.

The Promoters of our company have since settled all the dues of banks/lending institutions as per the terms of settlement proposal entered into with them and as per the letters received from Lending Institutions/banks, we state that they have initiated the process of intimating to RBI for deletion of our promoters name from the defaulters list of RBI.

3. Our Company had made losses in the past and was once declared sick by the BIFR.

Our Company had incurred losses from F.Y. 1997-98 to 2002-03. Our Company had a negative net-worth of Rs. 2717 Lacs as on 31.03.2003.

Due to the losses suffered by our Company between the years 1997-98 to 2000-01, the entire net worth of our company stood eroded as on 31.03.2001 and our company became a sick industrial undertaking as on that date. The BIFR at its hearing held on 30th December, 2002, had declared our company as a 'Sick Industrial Company' as on 31.03.2001 as per the provisions of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Subsequently, the BIFR had approved a Rehabilitation Scheme for our Company vide its order dated 27th August, 2003. As part of the Rehabilitation Scheme approved by BIFR, our Company entered into one-time settlement (OTS) of dues with its Bankers as a result of which we got a waiver of Rs 1284.87 lacs against entire outstanding of term loans and working capital dues. Further, as part of the scheme, a sum of Rs. 1080 lacs was written off against equity share capital of the company by writing off 90% of the equity capital of our Company, Rs.40 lacs was written off against General Reserve, Rs. 100 lacs was written off against balance in Share Premium account and Rs. 42 lacs was written off against balance in Capital Reserve.
The Scheme was successfully implemented and as a result of the above measures and subsequent improvement in the operations of our Company, the accumulated loss was wiped out and the Company's net-worth turned positive as on 31.03.2006. Accordingly the company was discharged from the purview of Board for Industrial and Financial Reconstruction vide its Order No. 17(2)/60/R-III/BIFR/Mon-3/2003 dated 18.07.2006.

4. Loss Making Group Companies

The following companies/firms belonging to the Promoter Group have made losses during any of the last three financial years:-

(Rs. in Lacs)

Particulars	**Profit / (Loss)**		
	2006-07	**2005-06**	**2004-05**
CAMCO Multi Metal Limited (Formerly Century NF Casting Limited)	(0.72)	(0.68)	(0.69)
Paramsukh Properties Pvt. Limited	2.53	0.59	(1.85)
Vintage Capital Markets Limited	(35.29)	200.22	33.82

The performance of these companies will not affect the operations of CEL.

5. Shortfall in the Promise Vs. Performance in the Rights issue made in 1992-93.

Our Company had come out with its First Rights Issue in the year 1992. Our Company had made certain projections on the operating and financial performances based on the then prevailing situation. However, due to various reasons, the projections could not be achieved. The details of the variations in the promises vs. performance is detailed here in under:

	1992-93		1993-94		1994-95		1995-96	
Particulars	**Projection**	**Actual**	**Projection**	**Actual**	**Projection**	**Actual**	**Projection**	**Actual**
Capacity Utilisation	55%	33%	80%	43%	85%	58%	85%	79%
								(Rs. Lacs)
Turnover	2229.52	1699.75	3189.42	2277.16	3439.40	3891.19	3451.00	4603.42
Gross Profit before								
Interest and Depreciation	243.22	42.24	367.97	76.24	399.50	578.54	400.22	566.24
Interest	180.65	181.18	198.27	198.17	192.31	127.58	175.73	151.61
Depreciation	52.97	60.93	74.77	70.03	74.77	74.52	74.77	83.62
Profit Before Tax	9.60	(199.87)	94.93	(191.96)	132.42	376.44	149.72	331.01
Income Tax	-	-	-	-	-	-	-	-
Net Profit	9.60	(199.87)	94.93	(191.96)	132.42	376.44	149.72	331.01
Equity	615.52	602.64	615.52	601.98	615.52	675.10	615.52	775.10
Reserves	(136.61)	(346.08)	(41.68)	(536.77)	90.74	74.26	240.46	392.08
Earning Per Share	0.15	(4.10)	1.54	(3.19)	2.15	6.20	3.58	4.36
Dividend	-	-	-	-	-	-	10%	15%

For details of the Promise Vs. Performance refer to section of details of the Capital Issues on page no. [*] of this letter of offer.

6. We have contingent liabilities which are not provided for, which may adversely affect our financial condition.

The contingent liabilities of our Company as on December 31, 2007, as certified by the auditors are as follows:

Nature of Liability	**As on December 31, 2007**
Estimated amount of contracts (net of advance) remaining to be executed on Capital Account and not provided for as on 31.12.07	Rs 14.82 lacs
Bank Guarantees & Letters of Credit issued by Banks on behalf of the Company	Rs.109.16 lacs and Rs 528.00 lacs respectively against which Rs. 68.30 lacs have been deposited with the Banks as Margin Money.
Sales Tax demand	49.94 Lacs
Bills discounted with banks	Rs 189.18 Lacs
The Employees State Insurance Corporation (ESI)	2.76 Lacs + interest w.e.f 01.01.2004
The Commercial Tax Officer has not allowed input tax credit under West Bengal Value Added Tax Act of on account of sales tax paid on opening stock of stores and spares. The Company has preferred a revision application before the Deputy Commissioner, Commercial Taxes.	Rs.0.51 Lacs

The contingent liabilities are in the normal course of business and the management does not foresee any material adverse impact on the working results of the Company on account of the above.

7. Our Company is yet to place any order for Plant and Machinery for its project for expansion of aluminium extrusions manufacturing capacity.

The projected cost of plant and machinery is Rs. 2623 Lacs i.e. 76.03 % of the total cost of project. Further Order for Plant and Machinery which is to be imported constitute significant potion of the total

Plant and machinery and the delivery of the same at factory site shall take approximately 15 months. Hence, there shall be delay in implementation of the project by approximately 5 months as against the original envisaged and bank appraised implementation schedule.

We are at an advance stage of negotiation with two leading international suppliers of the extrusions Press which is the main item of plant & Machinery to be acquired and has the longest lead time for delivery. We shall be placing the order with one of them shortly. Further the other plant & machinery to be imported or acquired indigenously are available with a lead time much shorter than the 15 months lead time for the main equipments, viz, the Extrusion Press.

8. The deployment of funds to be raised through this Issue is completely at our discretion and will not be monitored by any independent agency

Our Company is professionally managed with persons having sufficient experience in the business and has estimated the funds requirement based upon plans to be implemented by us but the chances of variation in the implementation of the project may occur.

9. We are yet to receive certain Government approvals for our proposed expansion.

We have applied for issuance of NOC to West Bengal Pollution Control Board for our Expansion Project. Other government/statutory approvals required shall be applied at appropriate time. For more details refer page no. [*] of this letter of offer.

10. Delay in receiving the right issue proceeds may result into cost over run and delay the implementation Schedule significantly.

We propose to complete the expansion project by the end of May 2009. The Axis bank, who has appraised the expansion project, has put one of the conditions that the disbursement of Foreign Currency loan shall be made only after successfully raising the right issue proceeds by us. So, if there will be any delay in raising money through this right issue, the implementation of the project may be delayed significantly and may affect the profitability of our Company.

11. Registered Office of Our Company is not owned by the Company .

We do not own our Registered Office. The Registered Office of our company is situated at 113, Park Street, 'N' Block , 2nd Floor, Kolkata- 700 016. This premises is taken for rent on lease basis from M/s Paramsukh Properties Pvt. Ltd. a promoter group company.

12. Non - compliance with Clause 49 of Listing Agreement

As per the Clause 49 of Listing Agreement, presently the company does not have Company Secretary to act as Compliance Officer since 15th December 2007. Mr. Sumit Saraogi, Manager-Finance who has been entrusted with the responsibility to act as compliance officer till the new company secretary is appointed is not qualified as per the requirement of the Clause.

13. There is a possibility of conflict of interest within Group Companies/Firms etc. The company makes purchase of significant quantity of its raw material requirement from its sister concern, M/s Nanda Devi Sales Agency and M/s. Century Aluminium Mfg. Co. Ltd.

M/s. Nanda Devi Sales Agency, an associated concern, is a consignment agent of Hindalco Industries Ltd., one of the major producers of aluminium in India. As per Law, a consignment agent has to sale the material at the same price as that of its Principal (Hindalco Industries Ltd. in this case), hence there is no conflict of interest. Century Aluminium Mfg Co Ltd, an associate company, is a manufacturer of aluminium alloys, and our purchases from them are based on competitive market related prices. Further, we adopt the necessary procedure and practices as permitted by law to address any conflict situations as and when they arise.

14. The Factory premises of our Company has been acquired on lease. Presently out of 7.3171 Acre of factory Land, lease in respect of 3.08 Acres has expired and has not been renewed by WBIIDC.

We have already applied for the renewal of the lease on 28.02.2006 and do not foresee any problem in obtaining the same.

15. There has been delay in compliance of Disclosure requirement as per the SEBI (Prohibition of Insider Trading) Regulations, 1992 in respect of purchase and sale of shares made by our Promoters group shareholders during August to October 2007. The delayed compliance made by the company as mentioned above, may expose the company to penal action under Securities And Exchange Board of India Act, 1992 which may include criminal prosecution, monetary penalty, cease and desist order, adjudication proceedings etc.

We did not make timely disclosures in respect of the purchase and sale of the shares of our company by our promoter's group shareholders inadvertently as the transaction was interse transfer of the shares amongst the promoters only. However on being professionally advised about the disclosure requirements, we promptly made necessary disclosures to the stock Exchanges voluntarily in the month of January 2008.

16. In March 2003, SEBI appointed M/s. G. P. Agarwal & Co., Chartered Accountants for the inspection of Books of Accounts of M/s Vintage Capital Markets Ltd., a Promoter Group Company of CEL. Pursuant to such inspection, a Warning Letter was issued to M/s Vintage Capital Markets Ltd by SEBI in January 2006 under Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002

17. Our company defaulted in complying with the requirement of section 297 and 147 of the Companies Act, 1956 during the Financial Year 2005-06.

We had duly rectified the lapses and the offences were compounded on payment of fine of Rs. 7000/-

18. We are exposed to the volatility of aluminium prices which are cyclical in nature.

19. Our Company has assumed a discount of 15% in the quoted price from its suppliers of Plant and Machinery. Inability of our Company to get the projected discount may result in cost overrun. Further, as per In principle approval Letter of Axis bank Limited, our Promoters are required to bring in amount by way of unsecured interest free Loan in case of any cost overrun.

20. The shares of the company have been suspended for trading on CSE.

The trading at CSE was suspended pursuant to reduction of share capital of our Company. We had applied to CSE on 13.11.2003 for in-principle approval for re-listing of its shares subsequent to capital reduction, and the approval was received after a long delay, on 30.09.2004. We further applied for resumption of trading in the re-listed shares on 03.11.2004, but the trading permission was not received. In the meantime, the shareholders of our company approved for delisting of the securities from CSE, and an application has been made for delisting of shares from CSE on 26.11.2004. The equity shares of our company are listed at NSE & BSE. These stock exchanges provide screen based trading facility which is widely accessible from different locations of India .

21. We are depending upon few companies for Raw Materials and also have not entered into any long-term supply contracts for raw materials.

The main raw material for the company is Aluminium Metal in form of Ingots and/or billets. The Company sources its requirement of aluminium ingots from National Aluminium Co. Ltd., Hindalco Industries Ltd. and Bharat Aluminium Co. Ltd and billets from National Aluminium Co. Ltd. Non-availability of required raw materials in desired quantity and quality at the required time may adversely affect our production process, ability to deliver orders in time and our business performance.

We are procuring the raw materials on regular basis from the above-mentioned companies. We have captive capacity for production of 9000 MT of aluminum billets against our estimated requirement of approx 20000MT at full capacity utilization subsequent to expansion and if required additional billets are not available locally, we can resort to import for a part of our raw material requirements and as such do not foresee any problem for consistent supply of raw materials.

22. Our business is dependent on our manufacturing facilities. Any loss or breakdown of operations at our manufacturing facilities may have a material adverse effect on our business and financial condition

Our proposed manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrences of any of these risks could significantly affect our operating results. Although we take precautions to minimize the risk of any significant operational issues at our manufacturing facilities, our business, financial condition and result of operations may be adversely affected by any disruption of operation of our facilities, due to any of the factors mentioned above.

23. We require certain approvals or licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner, or at all, may adversely effect our operations

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. For further details please refer page [*] of this Letter of Offer.

24. We are subject to intense competition.

We have many competitors in the Aluminium Extrusion Industry in India and overseas who may have better financial resources and supply capabilities than us and consequently greater capability to win orders.

25. Fluctuations in our revenue and profit levels may cause fluctuations in the value of our Equity Shares.

Fluctuations in revenue levels over short period of time or over sustained period of time due to any set of variable factors, including the failure of maintenance of our competitive advantage in terms of cost and skill, retention of customers, price reduction by existing customers, industry fluctuations, and adverse regulatory changes cannot be ruled out. Any one or a combination of these circumstances could have a material adverse effect on our ability to sustain our revenue levels in the short-term as well as the long-term. A revenue plateau or decline due to any set of reasons may adversely affect our operating performance. Furthermore, there may be instances in the future where our performance is below expectations of market analysts and our investors. This could lead to fluctuations or a decline in the market value of our Equity Shares over the short term or over a sustained period of time.

26. Changes in technology may impact our business by making our plants less competitive

Advancement in technology may require us to make additional capital expenditure for upgrading our manufacturing facilities. If we are not able to respond to such technological advancement well in time, we may loose our competitiveness.

27. Dependence on Key Management Team

The company's operations rely heavily on key employees. In case of shortage of key employees or high attrition of employees, its operations could be adversely affected. Successful performance of the business operations depends on its trained key managerial personnel and any sudden disruption in the services of these personnel may have an adverse impact temporarily affecting the smooth operation of the business.

Our Company provides good remuneration package and a healthy work environment with lots of operational freedom to its employees. The company has been able to retain its key management team in the past, and expects that it would be able to retain them in future.

28. Our insurance cover may not be adequate to protect us against all potential losses to which we may be subject.

We have taken adequate insurance coverage to insure against all perceived risks. Even then, the insurance cover may not be adequate to protect against all potential losses.

29. We have unsecured loans of Rs. 368.33 lacs as on 31.12.2007.

Deferred Sales Tax, which comprises major part of the unsecured loans, has been received by the Company under the West Bengal Incentive Schemes, 1989 and 1993, is interest free, and has fixed maturity. Other unsecured loans taken from time to time are temporary in nature and their repayment would not cause any difficulty in normal operations of the company.

30. Fluctuation in the prevailing Foreign exchange rates may affect the intended capital expenditure and Loan/Interest Liability.

Our project would require capital expenditure in certain major equipment that would be imported from overseas, such as, a New 2700 MT Hydraulic Aluminium Extrusion Press Line and fully automated Extrusion Handling Equipment on the existing two Press Lines. The payment for these machineries would be made in foreign exchange. Further we propose to avail foreign currency Loan of Rs. 1200 Lacs towards the expansion project. Any change in foreign exchange rates may adversely affect the value of the Rupee and consequently the cost of the Project and Loan/interest liability.

31. Compliance with, and changes in, safety, health and environmental laws and regulations may adversely affect our business, financial condition and results of operations.

Depending upon the nature of the projects undertaken by our Company, environmental laws and regulations such as Environment Protection Act, 1986; Water (Prevention and Control of Pollution) Act, 1974; Air (Prevention and Control of Pollution) Act, 1981; etc. may apply. If new safety, health and environmental regulations are introduced then there could be an effect on our operations, which cannot be predicted. Our failure to meet requirements could expose us to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as orders that could limit or halt our operations.

32. We may continue to be controlled by our Promoters, who by virtue of their aggregate shareholding will collectively own a substantial portion of our issued Equity Shares, as a result of which, the remaining shareholders may not be able to affect the outcome of shareholder voting.

After the completion of this Issue, our Promoters will collectively hold 47.30% of the Equity Shares, assuming all shareholders subscribe to their respective rights entitlement. Further, Promoters/promoter Group have given an undertaking to subscribe to the unsubscribed portion of this Rights Issue. Should there be an unsubscribed portion, the shareholding of our Promoters after the rights issue could be higher than 47.30%. Consequent to all the above mentioned factors, our Promoters may continue to exercise substantial control over us and inter alia, may have the power to elect our Directors and/or influence the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as borrowing and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions/joint ventures etc.

33. Future issuances or sales of the Equity Shares could significantly affect the trading price of the Equity Shares .

The future issuance of Equity Shares by our Company or the disposal of Equity Shares by any of our Company's major shareholders or the perception that such issuance or sale if occur may significantly affect the trading price of the Equity Shares.

34. You will not receive the Equity Shares you purchase in this Issue until several weeks after you pay for them, which will subject you to market risk

For shareholders holding shares in demat mode, the Equity Shares purchased in this Rights Issue will not be credited to their demat accounts with depository participants and for shareholders holding in physical form, completion of dispatch of physical share certificates may not be completed until approximately forty two (42) days from the Issue Closing Date. You can start trading in your Equity Shares only after receipt of listing and trading approvals in respect of these shares which will require additional time after the credit of Equity Shares into your demat account. Since our Company's Equity Shares are already listed on BSE & NSE, you will be subject to market risk from the date you pay for the Equity Shares to the date they are listed.

35. As per loan agreements executed by us with our bankers/Lending Institutions , we are subject to several restrictive covenants that may hamper our future business growth.

As per our current financing arrangements with banks/Lending Institutions, we are subject to certain restrictive covenants which require us to obtain the prior consent of the respective lenders before undertaking certain actions such as:

i. Effect any change in the capital structure
ii. Formulate any scheme of amalgamation or reconstruction.
iii. Implement any scheme of expansion or acquire fixed assets.
iv. Make investments/ advances or deposit amounts with any other concern.
v. Enter into borrowing arrangements with any Bank/FI/Company.
vi. Undertake guarantee obligations on behalf of any other company.
vii. Declare dividends for any year except out of profits relating to that year
viii. Change in composition of company's board of directors

In the event that such lenders, in the future decline to consent or delay in granting the consent to our plans of expansion/modernization/diversification of our business, such declination or delay as the case may be may have adverse bearing on our future growth plan.

These are standard items and conditions put by the bank/Lending Institutions in most of the cases where they take exposure. In case of any such event occurring, we would approach the banks for necessary permission. The Banks do understand business exigencies and take rationale decision in the best interest of the business.

B. EXTERNAL AND BEYOND CONTROL OF THE COMPANY

1. We are subject to adverse impact of economic and political conditions.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, consumer credit availability, consumer debt levels, tax rates and policy, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

2. We are subject to risks arising from foreign exchange rate fluctuations, which could adversely affect our financial condition.

Our Company intends to import some plant & machineries. Our Company may also import certain raw materials. Since the cost of these plants & machineries and raw materials are denominated in foreign currency, any adverse fluctuations in the exchange rate of foreign currency for Indian Rupee could adversely affect our financial condition and operations.

3. Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins.

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to engineers, managers and other mid-level professionals.

We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, results of operation and financial condition.

4. Our performance is linked to the stability of policies and political situation in India.

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. We cannot assure you that these liberalization policies will continue in the future. Any adverse move could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

5. Terrorist attacks and other acts of violence or war involving India, the United States, and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, results of operations and financial condition.

Terrorist attacks and other acts of violence or war, including those involving India, the United States or other countries, may adversely affect Indian and worldwide financial markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

6. Volatility of share prices on listing of additional shares issued pursuant to right issue.

After this Issue, the price of our Equity Shares may be highly volatile. The prices of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors, including:

- Volatility in the Indian and global securities market;
- Our results of operations and performance, in terms of market share;
- Performance of the Indian economy;
- Changes in Government policies;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Performance of the Company's competitors in the Indian Aluminium Extrusions Industry and market perception of investments in the Indian Aluminium Extrusions Industry;
- Adverse media reports on our Company or the Indian Aluminium Extrusions Industry;
- Changes in the applicable tax incentives;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

7. **The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue.**

   The Issue Price of Rs. 4/- per Equity Shares may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

   a) Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;

   b) Changes in revenue or earnings estimates or publication of research reports by analysts;

   c) Speculation in the press or investment community;

   d) General market conditions; and

   e) Domestic and international economic, legal and regulatory factors unrelated to our performance.

8. **Regional conflicts in the Indian sub-continent could adversely affect the Indian economy and cause our business to suffer**

   The Indian sub-continent has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies and on our business.

NOTES TO RISK FACTORS

Size of the Issue:

Issue of 3,33,00,000 Equity Shares of Re. 1/- each for cash at a price of Rs. 4/- per Equity Share (including premium of Rs. 3/- per Equity Share) aggregating to Rs 1320.00 Lacs on Rights basis to the existing Equity Shareholders of the Company in the ratio of 33 (Thirty Three) Equity Share for every 47 (Forty Seven) Equity Shares held on Record Date i. e. [*].

1. The average cost per Equity share for the Promoters of the Company are as under.

Name of the Promoters	Average cost of acquisition per share (Rs.)
Mr. M. P. Jhunjhunwala	1.67
Mr. Vikram Jhunjhunwala	3.04

2. The Net Asset Value per share as on December 31, 2007 and March 31, 2007 is Rs. 2.11 and Rs. 1.57 respectively for face value of Re. 1/- per share as per the Audited Restated Financial Statements respectively.

3. Net worth of the Company as on December 31, 2007 and March 31, 2007 is Rs. 992.86 Lacs and Rs.738.88 Lacs respectively as per Audited Restated Financial Statements respectively.

4. Investors are advised to refer to "Basis for Issue Price" section on page [*] before investing in the Issue.

5. Except as stated under point no. 12 of notes to capital structure, there have been no transactions in the Company's Equity Shares by the Promoters/Promoter Group, directors of our Company during a period of six months preceding the date of filing of this Letter of Offer with SEBI.

6. Except as disclosed in the section titled "Capital Structure" beginning on page [*] of this Letter of Offer, we have not issued any shares for consideration other than cash.

7. Investors may note that in the event of over subscription, allotment shall be made in consultation with BSE, which is also the Designated Stock Exchange. Please refer to the section on "Basis of Allotment" on page [*] of this Letter of Offer for details of the basis of allotment.

8. Our Promoters/ Directors/ key managerial personnel are interested to the extent of the normal remuneration, reimbursement of the expenses incurred, or benefits such as sitting fees and those relating to their respective shareholdings in our company.

9. For details of related party transactions, please refer to the Auditors Report on pages [*] to [*] of this Letter of Offer.

10. All information shall be made available by our Company and the Lead Manager to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc, after filing of this Letter of Offer with SEBI.

11. Investors may contact the Lead Manager or our Compliance Officer for any complaint / clarification / information pertaining to the Issue and no selective or additional information would be available for a section of investors in any manner whatsoever. The Lead Manager is obliged to provide the same to the investors. For contact details of the Lead Manager please refer to the front cover page.

12. The Company and the Lead Manager are obliged to keep this Letter of Offer updated and inform the Shareholders of any material change/developments till the listing and commencement of trading. Investors can contact the Lead Manager or Compliance Officer of the Company for any clarifications/complaints. The Compliance Officer will be available at the following address;

    Contact Person: Mr. Sumit Saraogi, Compliance Officer, Manager Finance, Century Extrusions Ltd., 113, Park Street, 'N' Block, 2nd Floor, Kolkata- 700 016, Tel No: (033) 2229 1012 / 1291, Fax No: (033) 2226 1110, E-Mail: century@centuryextrusions.com

C. INTRODUCTION

I. SUMMARY

(The information presented in this section has been extracted from the Company's Annual Reports, Business Magazines and the discussions held with Company officials, which have not been independently verified by the Company, the Lead Manager or any of their respective affiliates or advisors.)

Overview of the Industry and Indian Scenario

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

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

The aluminium extrusion market in the country can again be divided into two segments, viz. End-use Customer Segment and Trade Segment. The Trade Segment mainly deals in profiles used for Architectural, Transport and Electrical applications. The number of extrusion industries catering to the End-use Segment is very limited . As such, the price realization in the End-use segment is quite good and is reasonably stable. On the other hand, the price realization from the Trade Segment is completely market driven, and keeps fluctuating depending on the demand-supply equation.

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

The demand for aluminium extrusions has been good over last 4-5 years and continues to remain buoyant. With expected economic growth, very large additional primary metal capacities have been planned and are in the pipeline. This would lead to significant growth of the extrusions industry in India, which is a downstream industry for Aluminium.

The market for aluminium extrusions in India is growing at around 12-15% per annum, with some of the customer segments recording significantly higher growth rate. The extrusions industry in India produced approx. 225,000 MT of extruded products in the year 2006-07. Assuming a future growth rate of 10% per annum, which we feel is a very realistic growth rate for the industry, the market is expected to grow up to 362,000 MT by the year 2011-12.

Business

CEL is a widely held public limited company incorporated in the year 1988 under the Companies Act, 1956. The registered office of the Company is situated at 113, Park Street, 2nd Floor, "N" Block, Kolkata-700 016. CEL was incorporated with the main object of setting up a manufacturing unit for manufacture of Aluminium Extrusions.

The Company is engaged in the business of manufacture of Aluminium Extruded products since 1991. Its factory located at Kharagpur in West Bengal. The company is having capacity constraints in achieving bigger share of the ever-growing extrusions market. In view of growing demand for extruded products, the company is proposing to double its installed production capacity from 7,500 MT per annum to 15,000 MT per annum by putting up one new Extrusion Press Line and adding new equipment with the existing facilities.

The Company has production facilities mainly comprising of a Re-melt Shop for casting billets, Tool Room for manufacture of Dies and two Extrusions Press Lines.

During the financial year ended 2006-07, the Company produced and sold 6410 MT of Aluminium Extruded products.

The Company has now undertaken the project for –

i. Installation of an additional Press Line of 2700 MT capacity to increase the extrusion capacity by 7,200MT per annum.
ii. Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from installed capacity of 7500MT to 7800MT per annum.

With addition of the above new Equipments, the Installed Capacity would increase from present level of 7,500 MT per annum to 15,000 MT per annum. The total project cost is estimated at Rs. 3450 Lacs.

II. OFFERING DETAILS

Issue of 3,30,00,000 Equity Shares of Re. 1 each for cash at a price of Rs. 4 per Equity Share (including premium of Rs. 3 per Equity Share) aggregating to Rs 1320.00 Lacs on rights basis to the existing Equity Shareholders of the Company in the ratio of 33 (Thirty Three) Equity Share for every 47 (Forty Seven) Equity Shares held on Record Date i. e. [*].

No. of Equity Shares to be issued	3,30,00,000 Equity Shares
Issue Size	Rs. 1320 Lacs
Entitlement Ratio	33:47
Record Date	[*]
Face Value	Re 1/-
Offer Price	Rs. 4/-
Application Money	Rs. 4/- (including premium of Rs. 3/- per Equity Share)
Equity share outstanding prior to issue	4,70,00,000
Equity share outstanding after the issue	8,00,00,000
Terms of Payment	Rs. 4/- on Application
Terms of the Issue	Please see the section entitled "Basic Terms of the Issue" on Page [*] of this Offer Document.

III. SUMMARY OF FINANCIAL, OPERATING AND OTHER DATA

STATEMENT OF RESTATED ASSETS AND LIABILITIES							
							Rs. lacs
	-	**As at**	**As at 31st March**				
		31.12.2007	**2007**	**2006**	**2005**	**2004**	**2003**
A.	**Fixed Assets**						
	Gross Block	2,192.52	2,150.50	2,087.98	2,117.61	2,110.70	2,141.01
	LESS: Depreciation	1,514.65	1,444.29	1,363.52	1,343.80	1,251.74	1,170.06
	Net Block	677.87	706.21	724.46	773.81	858.96	970.95
	Capital Work in Progress	17.61	0.24	11.56	2.26	-	0.79
	Net Block incl. Capital WIP	**695.48**	**706.45**	**736.02**	**776.07**	**858.96**	**971.74**
B.	**Current Assets, Loans and Advances**						
	Inventories	866.93	868.69	1,125.42	675.99	560.09	635.82
	Sundry Debtors	1,058.63	1,115.47	748.59	644.02	438.29	644.54
	Cash & Bank Balances	122.02	139.44	106.93	133.93	65.47	50.00
	Loans & Advances	508.59	400.07	300.94	208.61	106.58	85.39
	TOTAL	**2,556.17**	**2,523.67**	**2,281.88**	**1,662.55**	**1,170.43**	**1,415.75**
C.	**Investments**	-	-	-	0.01	0.01	0.01
D.	**Liabilities & Provisions**						
	Secured Loans	1,143.71	981.62	832.88	819.66	599.64	2,638.25
	Unsecured Loans	368.33	340.68	369.66	803.78	1,224.03	736.57
	Current Liabilities & Provisions	746.75	1,168.94	1,319.79	982.25	486.01	348.27
	TOTAL	**2,258.79**	**2,491.24**	**2,522.33**	**2,605.69**	**2,309.68**	**3,723.09**
E.	**Net worth**	992.86	738.88	495.57	(167.06)	(280.28)	(1,335.59)
F.	**Represented by**						
	1. Share Capital	470.00	470.00	470.00	120.00	120.00	1,200.00
	2. Reserves				-	-	141.96
G.	Profit and Loss Account	668.12	510.51	292.83	(287.06)	(400.28)	(2,677.39)
H.	**Misc. Expenditure**	-	-	-	-	-	(0.16)
I.	**Deferred Tax Assets**	**145.26**	**241.63**	**267.26**	**-**	**-**	**-**
J.	**Net worth**	992.86	738.88	495.57	(167.06)	(280.28)	(1,335.59)

STATEMENT OF RESTATED PROFITS AND LOSSES

Rs. lacs

	For 9 months ended	**For the year ended 31st March,**				
	31.12.2007	**2007**	**2006**	**2005**	**2004**	**2003**
Income						
Gross Sales:						
Manufactured goods	8,629.99	11,870.86	9,677.73	8,291.46	7,536.13	6,668.41
Trading goods	-	-	-	-	-	-
Total	**8,629.99**	**11,870.86**	**9,677.73**	**8,291.46**	**7,536.13**	**6,668.41**
Less: Excise Duty	1,162.28	1,613.84	1,328.23	1,147.36	1,027.90	909.56
Net Sales	7,467.71	10,257.02	8,349.50	7,144.10	6,508.23	5,758.85
Other Income	17.07	34.57	15.79	9.00	20.45	12.47
Increase (Decrease) in Inventories	98.93	(184.60)	471.68	(41.27)	36.70	(55.42)
Impairment of Assets Written Back	11.74	20.62	15.25	-	-	-
TOTAL	**7,595.45**	**10,127.61**	**8,852.22**	**7,111.83**	**6,565.38**	**5,715.90**
Expenditure						
Cost of material consumed	5,924.75	8,070.99	7,041.50	5,648.11	5,450.25	4,616.28
Purchases	-	-	-	-	-	-
Staff Cost	358.69	451.14	373.20	336.17	310.95	290.10
Other manufacturing Expenses	676.77	793.99	647.02	589.38	651.54	639.68
Administration Expenses	129.94	173.63	163.04	126.12	114.27	114.76
Selling and Distribution Expenses	57.32	67.65	78.22	42.74	29.16	41.57
Interest	68.27	94.75	100.68	88.05	138.96	365.31
Depreciation	75.91	95.38	97.80	104.10	96.41	148.45
Preliminary, Capital Issue and deferred revenue expenses written off	-	-	12.60	-	0.16	0.32
Impairment of Assets	-	-	-	62.53	-	-
TOTAL	**7,291.65**	**9,747.53**	**8,514.06**	**6,997.20**	**6,791.70**	**6,216.47**
Profit/(Loss) for the year	**303.80**	**380.08**	**338.16**	**114.63**	**(226.32)**	**(500.57)**
Prior period adjustment	-	-	1.25	(1.41)	(3.25)	(1.69)
Write down of long term investments	-	-	(0.01)	-	-	(2.99)
Waiver on settlement of dues with Banks	-	-	-	-	1,284.87	-
Payment against Settlement of Right of Recompense	-	(102.75)	-	-	-	-
Profit/(Loss) before tax	**303.80**	**277.33**	**339.40**	**113.22**	**1,055.30**	**(505.25)**
Fringe Benefit Tax	2.84	3.17	7.20	-	-	-
Income Tax	34.10	31.00	19.57	-	-	-
Deferred Tax	100.71	25.63	(267.26)	-	0.15	-
Income tax adjustment for earlier year	-	0.15	-	-	-	(0.20)
Profit/(Loss) after tax	**166.15**	**217.68**	**579.89**	**113.22**	**1,055.15**	**(505.45)**
Transfer from Equity Share Capital	-	-	-	-	1,080.00	-
Transfer from General Reserve	-	-	-	-	40.00	-
Transfer from Capital Reserve	-	-	-	-	41.96	-
Transfer from Share Premium Account	-	-	-	-	100.00	-
Profit / (Loss) brought forward	510.51	292.83	(287.06)	(400.28)	(2,717.39)	(2,211.9)
Adjustment for Employee Benefits as per AS 15 (Revised)	8.54					
Balance of Profit/(Loss) carried forward	668.12	510.51	292.83	(287.06)	(400.28)	(2,717.3)

CENTURY EXTRUSIONS LIMITED
(Reg No. : 043705 of 1988, CIN No. L27203WB1988PLC043705)
(Incorporated as a limited company under the Companies Act, 1956 on February 02, 1988)
Registered Office: 113, Park Street, 'N' Block , 2nd Floor, Kolkata- 700 016
Tel No: (033) 2229 1012 / 1291, Fax No: (033) 2226 1110,
E-Mail: century@centuryextrusions.com, Website: www.centuryextrusions.com
Manufacturing Plant: WBIIDC Industrial Growth Centre, Plot No.7A, Sector 'B' Nimpura,
P.O.: Rakhajungle, Kharagpur – 721 301 Dist.: Midnapur, West Bengal
Contact Person: Mr. Sumit Saraogi, Compliance Officer, Manager Finance
The Company is registered with the ROC, W.B., Nizam Palace, 234/4 A.J.C.Bose Road, Kolkata–700 020
Company Registration No.: 04-3705
Issue to be Listed at: Bombay Stock Exchange Limited (BSE) & National Stock Exchange (NSE)
Issue Opens On: [*], Issue Closes on: [*]

IV. GENERAL INFORMATION

Dear shareholder(s),

The Board of Directors at their meeting held on 15th December, 2007 decided to make the following Offer to the Equity Share Holder of the Company, with a Rights to renounce. Accordingly, a resolution approving the rights issue was passed by the shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 21st January, 2008.

Issue of 3,30,00,000 Equity Shares of Re. 1/- each for cash at a price of Rs. 4/- per Equity Share (including premium of Rs. 3 per Equity Share) aggregating to Rs 1320 Lacs (Rupees Thirteen Crore and Twenty Lacs) on Rights basis to the existing Equity Shareholders of the Company in the ratio of 33(Thirty Three) Equity Share for every 47(Forty Seven) Equity Shares held on Record Date i.e. [*]. The face value of the Equity Share is Re. 1/- and the Issue Price is 4 times the face value.

BOARD OF DIRECTORS

Our Company is run and managed by Board of Directors comprising of 5 (five) Directors. The day-to-day affairs of our Company are being managed by Sri M.P. Jhunjhunwala, the Chairman and Managing Director of our Company. Our Board of Directors comprises of the following:

Name of Director	Designation	Status
Sri M. P. Jhunjhunwala	Chairman & Managing Director	Promoter Director
Sri Vikram Jhunjhunwala	Non-Executive Director	Promoter Director
Sri R. N. Das	Director	Independent Director
Sri Madan Gopal Todi	Director	Independent Director
Sri Vijay Kumar Mushran*	Director	Independent Director

* Sri P. K. Sengupta is appointed as alternate director to Sri Vijay Kumar Mushran on 21st January, 2008 who is an independent director.

BRIEF DETAILS OF EXECUTIVE DIRECTORS:

Sri M. P. Jhunjhunwala

Sri M P Jhunjhunwala, aged 68 years is an arts graduate and has been associated with the Aluminum Industry for over 40 years. He formed CEL in the year 1988. Since then he is successfully running and managing the company. Presently he is the Chairman & Managing Director of the company.

COMPLIANCE OFFICER

Mr. Sumit Saraogi
Manager Finance
113, Park Street,
'N' Block, 2nd Floor,
Kolkata- 700 016
Tel: (033) 2229 1012 / 1291
Fax: (033) 2226 1110
Email: ss@centuryextrusions.com

Investors may contact the Compliance Officer for any pre-issue / post- issue related matter such as non- receipt of LOF/ Letter of Allotment/ Share Certificate/ Refund Orders / Demat Credit etc.

LEGAL ADVISOR TO THE ISSUE

M/s. N.C Bose & Co.
10, Kiran Shankar Roy Road
1st Floor,
Kolkata-700001
Tel: 033-22481842
Fax: 033-22484258
Email: rcbcal@gmail.com
Contact Person : Mr. P.C. Bose

AUDITORS OF THE COMPANY

A L P S & company
Chartered Accountants
310, Todi Chambers,
2, Lal Bazar Street,
Kolkata-700 001
Tel: 033-22205621, 22480518
Email: Khetawatashok@yahoo.co.uk

BANKERS TO THE COMPANY

Axis Bank
5, Shakespeare Sarani
Kolkata-700071
Tel. No. 033-22827611
Fax No. 033-22824869
Email: sagir.mondal@axisbank.com
Website: www.axisbank.com

State Bank of India
Industrial Finance Branch
Kolkata – 700 017
Tel: 033-22877607
Fax. 033-22879314
Email: sbi.01936@sbi.co.in
Website: www.statebankofindia.com

Allahabad Bank
Wellesly Street Branch,
Kolkata – 700 016.
Tel : (033) 2229 7951
Website: www.allahbadbank.com

LEAD MANAGER TO THE OFFER

VC Corporate Advisors Pvt. Ltd
31, Ganesh Chandra Avenue,
Suite No. 2C
Kolkata – 700 013.
Tel: (033) 2225-3940/41
Fax: (033) 2225-3941
Contact Person: Mr. Tanmay Kumar Saha
E-mail: mail@vccorporate.com
Website: www.vccorporate.com

REGISTRAR TO THE ISSUE

MCS Ltd.
SEBI REGN NO: INR000000056
77/2A Hazra Road
Kolkata – 700 029
Tel: 033- 2454-1892/3
Fax: 033 – 2454-1961/2474-7674
Contact Person: Mr. Alok Mukherjee
E-mail: mcscal@cal2.vsnl.net.in

BANKER TO THE ISSUE

TO BE APPOINTED.

STATEMENT OF INTERSE ALLOCATION OF RESPONSIBILITIES AMONGST LEAD MANAGERS.

Since the issue is managed by one Lead Manager, the entire responsibilities shall vest with the Lead Manager.

CREDIT RATING

This being an issue of Equity Shares, no credit rating is required.

TRUSTEES

This being a Rights Issue of Equity Shares, appointment of Trustees is not required**.**

MONITORING AGENCY

In terms of clause 8.17.1 of the Guidelines, since the issue size will not be exceeding Rs. 500 Crores, Our Company has not appointed any monitoring agency. However, the Board of Directors of our Company will monitor the utilization of the proceeds of the Issue.

PROJECT APPRAISAL

Please refer Section "Objects of the Issue" on page no. [*] of this Letter of Offer.

MINIMUM SUBSCRIPTION CLAUSE

a) If the Company does not receive the minimum subscription of 90% of the issued amount the entire subscription shall be refunded to the applicants within 42 days from the date of closure of the issue.

b) If there is a delay in the refund of subscription by more than 8 days after the Company becomes liable to repay the subscription amount (i.e., 42 days after closure of the issue), the Company shall pay interest for the delayed period at rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

c) All monies received out of this Rights Issue through this Letter of Offer shall be transferred to a separate bank account.

UNDERWRITING

The present Rights Issue is not underwritten. However, the Promoters have confirmed vide their Letter of Intent dated 21st January 2008 that they intend to subscribe to the full extent of their entitlement in the Issue. Promoters intend to apply for additional Equity Shares in the Issue such that at least 90% of the Issue size is subscribed. As a result of this subscription and consequent allotment, the Promoters may acquire Equity Shares over and above their entitlement in the Issue, which may result in their shareholding in the Company being above their current shareholding.

This subscription and acquisition of additional Equity Shares by the Promoters, if any, will not result in change of control of the management of the Company and shall be exempt in terms of provision to Regulation 3(1)(b)(ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. As such, other than meeting the requirements indicated in Objects of the Issue (refer "Particulars of the Present Issue"), there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoters through this Issue, the Promoter shareholding in the Company exceeds their current shareholding.

However, the Promoters have confirmed vide the letter dated 21st January 2008 that in case the Rights Issue of the Company is completed with their subscribing to Equity Shares over and above their entitlement and as a result, if the public shareholding in the Company after the Rights Issue falls below the "permissible minimum level" on the basis of which the securities of the Company continue to be listed, they will make an offer for sale of their holdings so that the public shareholding is raised to the "permissible minimum level" within a period of 3 months from the date of allotment in the proposed Issue, as per the requirements of sub-clause 17.1 and 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto or any other period as may be directed by SEBI or any appropriate authority.

In this context, the Promoters of Century Extrusions Limited have provided following undertaking:

"We hereby undertake that, in case the Rights Issue of Century Extrusions Limited is completed with the Promoters subscribing to Equity Shares over and above their entitlement and as a result, if the public shareholding in the Company after the Rights Issue falls below the "permissible minimum level" as specified in the listing condition or listing agreement, we shall, individually or jointly with the Promoter Group make an offer for sale of our holdings so that the public shareholding is raised to the "permissible minimum level" within a period of 3 months from the date of allotment in the proposed Rights Issue, as per the requirements of sub-clause 17.1 and 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto or any other period as may be directed by SEBI or any appropriate authority."

V. CAPITAL STRUCTURE

THE SHARE CAPITAL OF THE COMPANY AS ON THE DATE OF FILING OF THE LETTER OF OFFER WITH SEBI AND STOCK EXCHANGES IS AS SETFORTH:

(Rs. in Lacs)

PARTICULARS	NOMINAL VALUE	AGGREGATE VALUE AT ISSUE PRICE
A. AUTHORISED:		
12,00,00,000 Equity Shares of Re.1/-* each	1200.00	1200.00
B. ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
4,70,00,000 Equity Shares of Re.1/-* each	470.00	470.00
C. PRESENT ISSUE:		
3,30,00,000 Equity Shares of Re. 1/-* each for cash at an Issue Price of Rs. 4 per Equity Share (including premium of Rs. 3 per Equity Share) on rights basis to the existing equity shareholders of the company in the ratio of 33 (Thirty Three) Equity Share for every 47 (Forty Seven) Equity Shares held on the record date i.e. [●]	330.00	1320.00
D. PAID UP SHARE CAPITAL AFTER THE ISSUE:		
8,00,00,000 Equity Shares of Re.1/-* each	800.00	800.00
E. SHARE PREMIUM ACCOUNT		
Before the Issue	-	-
After the Issue	-	990.00

***Face value of Rs.10/- per share reduced to Re.1/- per share on 30.10.2003 pursuant to BIFR Order dated 27.08.2003.

The Capital structure statement is prepared on the assumption that the proposed rights issue of 330 Lacs Equity Shares @ Rs 4/- will be subscribed fully.

Details of Changes in Authorised Capital:

Sr. No.	Particulars of Increase	Date of Meeting	Nature of Meeting
1	As on Incorporation Rs. 500 Lacs		
2	From Rs. 500 Lacs to Rs.650 Lacs	13/02/1992	EGM
3	From Rs. 650 Lacs to Rs.800 Lacs	30/09/1993	AGM
4	From Rs. 800 Lacs to Rs.1200 Lacs	27/02/1995	EGM

NOTES TO THE CAPITAL STRUCTURE

1) BUILD UP OF EQUITY SHARE CAPITAL

Details of Capital Structure of the Company since inception are as follows:

Date of allotment	No. of Shares	Cumulative No. of Shares	Face value (Rs.)	Issue Price (Rs.)	Cumulative Paid-up Capital (Rs.)	Consideration	Nature of Allotment / Remarks
13.01.1988	700	700	10	10	7,000	Cash	Subscribers to Memorandum
19.05.1988	19,300	20,000	10	10	2,00,000	Cash	Allotment to Promoters
19.03.1990	38,27,000	38,47,000	10	10	3,84,70,000	Cash	Public Issue
12.10.1992	21,86,706	60,33,706	10	10	6,03,37,060	Cash	Rights Issue
27.02.1995	5,32,025	65,65,731	10	10	6,56,57,310	Non-Cash*	OTS with IDBI & ICICI
27.03.1995	1,99,121	67,64,852	10	10	6,76,48,520	Non-Cash**	OTS with IFCI
26.05.1995	10,00,000	77,64,852	10	10	7,76,48,520	Cash	Private Placement to Promoters
30.11.2000	42,49,048	1,20,13,900	10	10	12,01,39,000	Cash	Private Placement to Promoters
16.03.1994	(13900)#	1,20,00,000	10	-	12,00,00,000		shares forfeited & cancelled
30.10.2003		1,20,00,000	1		1,20,00,000$		
11.11.2005	3,50,00,000	4,70,00,000	1	1	4,70,00,000	Cash	Rights Issue

* These shares were originally issued in terms of one-time settlement of dues with IDBI and ICICI.

** These shares were originally issued in terms of one-time settlement of dues with IFCI.

Amounts received on account of equity capital & premium accounts on the partly paid forfeited shares had been dealt with in the books of accounts of the company by transfer to Reserves & Surplus under the head "Shares Forfeited Account", which was subsequently adjusted with the accumulated loss on capital reduction as approved by the shareholders of the company vide a special resolution passed at the Extra Ordinary General Meeting held on 24.06.2003. These shares forfeited were not reissued and were cancelled.

$ Nominal value after Capital Reduction (face value reduced to Re.1 per share by writing off 90% of the paid up value against accumulated losses) on 30.10.2003 as per BIFR Order No.354/2001 Dt. 27.08.2003.

2) Present Rights Issue

Type of Instrument	Ratio	Issue Price (Rs.)	No. of Shares	Nominal Value (Rs.)	Issue Size (Rs.)
Equity Shares	33:47	Rs. 4 per Equity Share (including premium of Rs. 3 per Equity Share)	3,30,00,000	3,30,00,000	13,20,00,000

3) **The Shareholding Pattern of the Promoters and Promoters Group as on 21st January 2008 is as under:**

Sr. No.	Particulars	Nos of Shares	% of the Pre-Issue Paid Up Share Capital	% of the Post-Issue Paid Up Share Capital *
	Promoters			
1	Madhab Prasad Jhunjhunwala	45,56,934	9.70%	9.70%
2	Vikram Jhunjhunwala	48,708	0.10%	0.10%
	Sub-total- (a)	**46,05,642**	**9.80%**	**9.80%**
	Promoters Group			
3.	Vintage Securities Ltd	51,04,688	10.86%	10.86%
4.	Jeco Exports & Finance Ltd	47,05,225	10.01%	10.01%
5.	Vintage Capital Markets Ltd	37,77,698	8.04%	8.04%
6.	Moulshree Jhunjhunwala	18,25,700	3.88%	3.88%
7.	Paramsukh Properties Pvt. Ltd	10,52,500	2.24%	2.24%
8.	Kutir Udyog Kendra (India) Ltd	5,21,000	1.11%	1.11%
9.	Atash Properties Finance Pvt Ltd	4,52,300	0.96%	0.96%
10.	Madhab Prasad Jhunjhunwala (on behalf on Madhab Prasad & Sons (HUF)	3,000	0.01%	0.01%
11.	Shivanshu Jhunjhunwala	1,10,000	0.23%	0.23%
12.	Sita Devi Jhunjhunwala	66,500	0.14%	0.14%
13.	Century Aluminium Mfg. Co Ltd	9000	0.02%	0.02%
	Sub-total- (b)	**1,76,27,611**	**37.50%**	**37.50%**
	Total	**2,22,33,253**	**47.30%**	**47.30%**

**Assuming all the existing shareholders fully subscribe to the Rights Issue.*

4) **Promoters' Contribution and Lock-in**

The present Issue being a Rights Issue, as per clause 4.10.1I of extant SEBI (Disclosure and Investor Protection) Guidelines, the requirement of Promoters' contribution is not applicable. As a consequence none of the equity shares are locked in.

5) **Capital built up of the promoters is detailed below:**

Sr. No.	Name of Promoter / Person	Date of Allotment / Transfer and made up Fully paid-up	Consideration	No. of Shares	Face Value (Rs.)	Issue / Transfer Price (Rs.)
1	M. P. Jhunjhunwala	19.03.1990	Cash	100	10/-	10.00
		26.05.1995	Cash	1,00,000	10/-	19.99
		13.10.1997	Cash	90,000	10/-	16.49
		13.10.1997	Cash	1,500	10/-	16.45
		01.04.1998	Cash	8,000	10/-	16.19
		12.11.2005	Cash	43,57,334	1/-*	1.67
	Total			**45,56,934**		
2	Vikram Jhunjhunwala	19.08.1997	Cash	500	10/-	13.00
		12.01.2005	Cash	2,108	1/-*	3.30
		12.08.2006	Cash	10,100	1/-*	3.14
		05.03.2007	Cash	36,000	1/-*	3.04
	Total			**48,708**		

* Nominal value after Capital Reduction (face value reduced to Re.1 per share by writing off 90% of the paid up value against accumulated losses) on 30.10.2003 as per BIFR No.354/2001 dt. 27.08.2003

6) The Company, Promoters, Directors and Lead Manager to the Issue have not entered into any buy-back, standby or similar arrangements for purchase of any of the securities being issued through this Letter of Offer.

7) The Equity shares offered through this Rights issue shall be fully paid up on the date of allotment

8) Top Ten shareholders as on 18/01/2008 (to be updated before filing the Final Letter of Offer to the Stock Exchange)

Sl. No.	Shareholders Name	No. of Shares	% of Issued Capital
1	Vintage Securities Ltd	51,04,688	10.86
2	Jeco Exports & Finance Ltd.	47,05,225	10.01
3	M.P.Jhunjhunwala	45,56,934	9.70
4	Vintage Capital Markets Ltd.	37,77,698	8.04
5	Moulshree Jhunjhunwala	18,25,700	3.88
6	Paramsukh Properties (P) Ltd	10,52,500	2.24
7	Kutir Kendra Udjog India Ltd	5,21,000	1.11
8	Atash Properties & Finance (P) Ltd.	4,52,300	0.96
9	Angel Broking Ltd.	4,04,141	0.86
10	Religare Securities Ltd.	3,74,097	0.80
	Total	**2,21,72,545**	**48.46**

9) The top ten shareholders as on 08-01-2008 (to be updated before filing the Final Letter of Offer to the Stock Exchange)

Sl. No.	Shareholders Name	No. of Shares	% of Issued Capital
1	Vintage Securities Ltd.	51,04,688	10.86
2	Jeco Exports & Finance Ltd.	47,05,225	10.01
3	M.P.Jhunjhunwala	45,56,934	9.70
4	Vintage Capital Markets Ltd.	37,77,698	8.04
5	Moulshree Jhunjhunwala	18,25,700	3.88
6	Paramsukh properties (P) Ltd.	10,52,500	2.24
7	Kutir Kendra Udjog India Ltd.	5,21,000	1.11
8	Atash Properties & Finance (P) Ltd.	4,52,300	0.96
9	Angel Broking Ltd.	4,21,610	0.90
10	Religare Securities Ltd.	3,73,115	0.79
	Total	**2,27,74,283**	**48.49**

10) The top ten shareholders as on 18.01.2006 (to be updated before filing the Final Letter of Offer to the Stock Exchange) .

Sl. No.	Shareholders Name	No. of Shares	% of Issued Capital
1	Jeco Exports & Finance Ltd.	56,66,225	12.06
2	Vintage Securities Ltd.	51,04,688	10.86
3	Mr. M.P. Jhunjhunwala	45,56,934	9.70
4	Vintage Capital Markets Ltd.	22,81,698	4.86
5	Mrs Moulshree Jhunjhunwala	19,45,700	4.14
6	Ujjwal Vincom (P) Ltd.	17,50,000	3.72
7	Bakra Pratisthan Ltd.	13,99,804	2.98
8	Mr. Vijay Kumar Mohatta	13,10,173	2.79
9	Kutir Udyog Kendra (I) Ltd.	10,56,000	2.25
10	Paramsukh Properties (P) Ltd.	10,52,500	2.40
	Total	**2,61,23,722**	**55.76**

11) The shareholding pattern of the Promoter Group as on 18.01.2008 is as detailed below:

Name of the Person	No. of shares	Percentage shareholding
9) **Promoters**		
1. Madhab Prasad Jhunjhunwala	45,56,934	9.70%
2. Vikram Jhunjhunwala	48,708	0.10%
Sub-total- (a)	**46,05,642**	**9.80%**
Sub Total (A)		
B. Others		
(1) Relative of Promoters (both falling under Promoter Group and Person Acting in Concert)	20,02,200	4.25%
(2) Company in which 10% or more of the share capital is held by the promoter, his immediate relative firm or HUF in which the promoter or his immediate relative is a member	1,56,22,411	33.24%
(3) Company in which the Company mentioned in (2) above holds 10% or more of the share capital	-	-
(4) HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total	3,000	0.01%
Sub Total (B)	**1,76,27,611**	**37.50%**
Total (A+B)	**2,22,33,253**	**47.30%**

12) There are no transactions in the securities of the Company during preceding 6 months which were financed/undertaken directly or indirectly by the promoters, their relatives, their group companies or associates or by the above entities directly or indirectly through other persons except as follows:

Name of the Transferee	Name of the Transferor	Nature of transaction	Date	Rate per share(Rs.)	No. of shares	Consideration Rs
Vintage Capital Market Ltd.	Jeco Exports and Finance Ltd.	Inter-se	06.08.2007	3.85	4,00,000	15,40,000
Vintage Capital Market Ltd.	Jeco Exports and Finance Ltd.	Inter-se	27.09.2007	4.15	5,61,000	23,28,150
Vintage Capital Market Ltd.	Kutir Udyog Kendra India Ltd.	Inter-se	15.10.2007	4.05	5,35,000	21,66,750
Vintage Capital Market Ltd.		Market Purchase	06.12.2007	9.14	14,563	1,33,088
-	Vintage Capital Market Ltd.	Market Sale	07.12.2007	9.29	14,563	1,35,343
-	Vintage Capital Market Ltd.	Market Sale	26.12.2007	14.18	40,000	5,67,200
Vintage Capital Market Ltd.	-	Market Purchase	27.12.2007	14.60	40,000	5,84,000
-	Sita Devi Jhunjhunwala	Market Sale	28.12.2007	15.57	9,00,000	1,40,17,500
-	Madhab Prasad & Sons (HUF)	Market Sale	01.01.2008	17.15	1,90,000	32,58,500
-	Moulshree Jhunjhunwala	Market Sale	02.01.2008	17.66	50,000	8,83,108
-	Moulshree Jhunjhunwala	Market Sale	03.01.2008	17.82	70,000	12,47,164

13) The Maximum and minimum price at which purchase and sales referred to above were made (alongwith the relevant date) :

Highest price: 18.38 dt : 03.01.2008
Lowest price: 3.85 dt : 15.10.2007

14) The Company has not introduced any Employees Stock Option Scheme / Employee Stock Purchase Scheme till date. However, a Special Resolution was passed by Postal Ballot for offering and issuing shares under an Employee Stock Option Scheme in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with Section 81 (1A) of the Companies Act, 1956 and the result of Postal ballot was declared on 12th April 2007 by the Chairman. However, the company is yet to formulate any Employees Stock Option Scheme / Employee Stock Purchase Scheme for the employees.

15) The Equity Shareholders do not hold any warrant, option or convertible loan or any debenture, which would entitle them to acquire further Equity Share.

16) The terms of Issue to Non-Resident Equity Shareholders/ Applicants have been presented under the "Terms of the Issue" Section of this Letter of Offer.

17) At any given time, there shall be only one denomination of the Equity Shares. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

18) There have been no allotments in past which are for consideration other than cash except allotment made:

- On 27/02/1995 of 5,32,025 Equity Shares in terms of one-time settlement of dues with IDBI and ICICI

- On 27/03/1995 of 1,99,121 Equity Shares in terms of one-time settlement of dues with IFCI

19) No further issue of capital by way of issue of bonus Equity Shares, preferential allotment, rights issue or public issue or in any other manner which will affect the capital of the Company, shall be made during the period commencing from the filing of the Letter of Offer with the SEBI till the Equity Shares issued under this Letter of Offer have been listed or application moneys are refunded on account of the failure of the Issue.

20) Presently the Company does not have any proposal, intention, negotiation or consideration to alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public Issue of Equity Shares or any other securities within a period of six months from the date of opening of the present Issue. However, if business needs of the Company so require, the Company may alter the capital structure by way of split/ consolidation of the denomination of the shares/ issue of shares on a preferential basis or issue of bonus or rights or public issue of shares or any other securities during the period of six months from the date of listing of the Equity Shares issued under this Letter of Offer or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required for such alteration.

21) The Company does not have any partly paid-up Equity Shares and there are no calls in arrears.

22) The promoters, directors and Lead Manager to the Issue have not paid any amount, whether direct or indirect and in cash or kind, in the nature of discount, commission, allowance or otherwise to any person.

23) All information shall be made available by the Lead Manager and the Issuer to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including at road shows, presentations, research or sales reports etc.

24) The Promoter/ promoter group have confirmed that they intend to subscribe to the full extent of their entitlement in the Issue. The Promoter/ promoter group reserves the right to subscribe to their entitlement in the Issue either by themselves, or a combination of entities controlled by them, including by subscribing for renunciation if any made within the promoter group to another person forming part of the Promoter Group. The Promoter/promoter group will also apply for additional Equity Shares in the Issue, such that at least 90% of the Issue is subscribed. As a result of this subscription and consequent allotment, the Promoter/promoter group may acquire shares over and above their entitlement in the Issue, which may result in an increase of the shareholding being above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by the Promoter/ promoter group, if any, will not result in change of control of the management of the Company and shall be exempt in terms of proviso to Regulation 3(1)(b)(ii) of the Takeover Code. As such, other than meeting the requirements indicated in the Letter of Offer, there is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoter, in this Issue, the Promoter shareholding in the Company exceeds their current shareholding. The Promoter/ Promoter Group intends to subscribe to such unsubscribed portion as per the relevant provisions of the law. Allotment to the Promoter/promoter group of any unsubscribed portion, over and above their entitlement shall be done in compliance with the Listing Agreement and other applicable laws prevailing at that time relating to continuous listing requirements. However, the Promoter/promoter group have confirmed that in case the Rights Issue of the Company is completed with their subscribing to Equity Shares over and above their entitlement and as a result, if the public shareholding in the Company after the Rights Issue falls below the permissible minimum level on the basis of which the securities of the Company continue to be listed they will either individually or jointly with other Promoters make an offer for sale of their holdings so that the public shareholding is raised to the permissible minimum level within a period of 3 months from the date of allotment in the proposed Issue, as per the requirements of sub-clause 17.1 and 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto or any other period as may be directed by SEBI or any appropriate authority. In this context, the promoters/promoter group of CENTURY EXTRUSIONS LIMITED have provided following undertaking:

"We hereby undertake that, in case the Rights Issue of CENTURY EXTRUSIONS LIMITED is completed with the promoter/promoter group subscribing to equity shares over and above their entitlement and as a result, if the public shareholding in the Company after the Rights Issue falls below the "permissible minimum level" being 25% of the paid up share capital of the Company as specified in the listing condition or listing agreement, we will either individually or jointly with other promoter/ promoter group shareholders make an offer for sale of our holdings so that the public shareholding is raised to the permissible minimum level within a period of 3 months from the date of allotment in the proposed Issue, as per the requirements of sub-clause 17.1 and 17.2 of SEBI (Delisting of Securities) Guidelines, 2003 or as per any amendment thereto or any other period as may be directed by SEBI or any appropriate authority."

25) The Company has not availed of any Bridge Loan to be repaid from the proceeds of the issue.

26) The Company has not revalued its assets in the last five years preceding the date of this Letter of Offer.

27) The Company has 17,712 members as on 18th January 2008.

28) Shareholding pattern before and after the offer as on 18.01.2008

Category code	Category of shareholder	Pre Issue Shareholding		Post issue share holding	
		Number of shares	%	Number of shares	%
(A)	**Shareholding of Promoter and Promoter Group**				
(1)	**Indian**				
(a)	Individuals/ Hindu Undivided Family	6610842	14.06	11252497	14.06
(b)	Central Government/ State Government(s)/Government company	-	-	-	-
(c)	Bodies Corporate	15622411	33.24	26591338	33.24
(d)	Financial Institutions/ banks	-	-	-	-
(e)	Any Other (specify)	-	-	-	-
	Sub- Total (A)(1)	**22233253**	**47.30**	**37843835**	**47.30**
(2)	**Foreign**				
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	-	-	-	-
(b)	Bodies Corporate	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Any other (specify)	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**22233253**	**47.30**	**37843835**	**47.30**
(B)	**Public shareholding3**				
(1)	**Institutions**				
(a)	Mutual Funds/ UTI	2800	0.01	4766	0.01
(b)	Financial Institutions/ Banks	192600	0.41	327830	0.41
(c)	Central Government/ State Government(s)	100	0.00	170	0.00
(d)	Venture Capital Funds	-	-	-	-
(e)	Insurance Companies	-	-	-	-
(f)	Foreign Institution Investors	-		-	-
(g)	Foreign Venture Capital Investors	-	-	-	-
(h)	Any Other (Specify)	-	-	-	-
	Sub Total (B)(1)	**195500**	**0.42**	**332766**	**0.42**
2.	**Non-Institutions**				
(a)	Bodies Corporate	5834474	12.41	9931020	12.41
(b) i	Individuals: Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	17247980	36.70	29358264	36.70
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh.	1301926	2.76	2216044	2.76
C I	Any Other (Specify) Trust & Foundations	2900	0.01	4936	0.01
Ii	Cooperative Societies	-	-	-	-
Iii	Educational Institutions	-	-	-	-
Iv	Non Resident Individual	183967	0.40	313135	0.40
V	Foreign Companies	-	-	-	-
Vi	OCB	-	-	-	-
	Sub Total (B)(2):	**24571247**	**52.28**	41823399	52.28
	Total Public Shareholding (B) = (B)(1) + (B)(2) :	**24766747**	**52.70**	42156165	52.70
	Total (A) + (B):	**47000000**	**100.00**	**80000000**	**100.00**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	**-**	**-**
	GRAND TOTAL (A) + (B) + (C)	**47000000**	**100.00**	**80000000**	**100.00**

***(Note:** Post issue shareholding is based on the assumption that all shareholders will subscribe to their entire rights entitlement.)*

VI. OBJECTS OF THE ISSUE

The objects of this Rights Issue are to raise funds to part finance:

a) Construction of new factory Building.

b) Expansion and Modernization of Aluminium Extruded products manufacturing facilities to increase the installed capacity from 7,500 MTPA to 15,000 MTPA at existing premises by

  i) Installation of an additional Press Line of 2,700 MT capacity to increase the extrusion capacity by 7,200 MT per annum.

  ii) Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from 7,500 MT to 7,800 MT per annum.

c) Margin for additional working capital.

d) Expenses towards right issue.

COST OF THE PROJECT

Century Extrusions Ltd. (CEL) is in the business of manufacture of Aluminium Extruded Products since 1991. The Company has production facilities mainly comprising of a Re-melt Shop for casting billets, Tool Room for manufacture of Dies and two Extrusions Press Lines.

The demand for aluminium extrusions has been good over last 4-5 years and continues to remain buoyant. With expected economic growth, very large additional primary metal capacities have been planned and are in the pipeline. This would lead to significant growth of the extrusions industry in India, which is a downstream industry for Aluminium.

In order to cater to the growing demand, the company now proposes to expand its capacity from 7,500MT per annum to 15,000MT per annum by installation of a Third Press of 2700MT capacity along with all ancillaries, and putting up latest fully Automatic Extrusion Handling Equipment at the existing two Extrusion Press Lines namely 1250MT & 1620MT, to enhance their capacities.

With the proposed expansion project, the Company will continue to produce similar types of extrusions, but of larger sizes and for critical applications. The Company has made a mark for itself in supplying extrusions which meet the stringent quality requirement of the customers in Soft, Medium as well as High Strength Alloy Extruded products. The new bigger press and the new handling equipment would considerably aid to the company’s capability in meeting the stringent requirement of its customers.

Accordingly, the principal equipment, namely, a 2700 MT Hydraulic Aluminium Extrusion Press is proposed to be purchased from M/s. GIA Clecim, Spain or M/s. UBE Industries Ltd., Japan and Extrusion Handling Equipment from M/s. Gia Clecim, Spain or M/s. O.K.D., Thailand. The other equipment would be procured indigenously. However, the company is also looking at a few other alternatives available.

The Extrusion Handling Equipment for the new Press is proposed to be purchased from GIA Clecim Spain or M/s. UBE Industries Ltd., Japan and for the present two Presses from M/s. GIA Clecim, Spain or OKD, Thailand, to be manufactured under the supervision of a European Engineer as per European design. The GIA Clecim equipment has the latest technology with double puller, but is also more expensive. The OKD equipment with single puller (as against manual pulling now) also has State-of-the-Art features including various Automatic & semi-automatic operation controls using PLCs. Apart from the above, the Company is also looking at a few other available alternatives.

Accordingly, our Company has finalized the cost of project as under:

(Rs. in Lacs)

Sl. No.	Description	2007-08	2008-09	2009-10	Total Cost	Percentage (%)
1	Land & Building	50.00	177.00	-	227.00	6.58
2	Plant & Machinery	250.00	1925.00	304.00	2479.00	71.86
3	Utilities	-	144.00		144.00	4.17
4	Provision for Contingencies		135.00	15.00	150.00	4.35
5	Margin Money for Working Capital		105.00	345.00	450.00	13.04
	Total Cost	**300.00**	**2486.00**	**664.00**	**3450.00**	**100.00**

The total project cost is proposed to be funded through (i) Proceeds of the present rights Issue; (ii) Term Loan of Axis Bank; and (iii) the balance amount through internal accruals.

MEANS OF FINANCE

(Rs. In Lacs)

Sr. No.	Particulars	2007-08	2008-09	2009-10	Total	Percentage (%)
1	Proceeds of the Rights Issue		1320.00		1320.00	38.26
2	Term Loan from Axis Bank		1200.00		1200.00	34.78
3	Internal Accruals	300.00	(34.00)	664.00	930.00	26.96
	Total	**300.00**	**2486.00**	**664.00**	**3450.00**	**100.00**

PROJECT APPRAISAL

The Expansion cum Modernization project of manufacturing Aluminium Extruded products by increasing the installed capacity from 7,500 MTPA to 15,000 MTPA at existing premises by installing a new Press Line of 2,700 MT capacity to increase the extrusion capacity by 7,200 MT per annum and fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from 7,500 MT to 7,800 MT per annum, has been appraised by Axis bank, 7, Shakespeare Sarani ,Kolkata for sanctioning Foreign Currency Loan to the tune of 1200 Lacs vide their sanction Letter dt. 06.11.2007.

Scope and Purpose of Appraisal:

The appraisal has been carried out to sanction foreign Currency Term Loan of Rs. 1200 Lacs and Non Fund Based Facility of Rs. 130 Lacs by way of Bank guarantee and Loan equivalent Risk on forward contracts for the expansion cum modernization project as stated above.

Cost of project and means of finance as per Appraisal report

(Rs. In Lacs)

Sl. No.	Description	2007-08	2008-09	2009-10	Total Cost	Percentage (%)
1	Land & Building	50.00	177.00	-	227.00	7.46
2	Plant & Machinery (Including Interest)	250.00	1972.00	304.00	2526.00	83.04
3	Misc. Fixed Assets	-	144.00		144.00	4.73
4	Provision for Contingencies		130.00	15.00	145.00	4.77
5	Margin Money for Working Capital		-	-	-	0.00
	Total Cost	**300.00**	**2423.00**	**319.00**	**3042.00**	**100.00**

Means of Finance

(Rs. In Lacs)

Sr. No.	Particulars	2007-08	2008-09	2009-10	Total	Percentage (%)
1	Proceeds of the Rights Issue		1210.00		1210.00	39.78
2	Term Loan from Axis Bank		1200.00		1200.00	39.45
3	Internal Accruals	300.00	13.00	319.00	632.00	20.77
	Total	**300.00**	**2423.00**	**319.00**	**3042.00**	**100.00**

Weakness and Threats as given by Axis Bank (Appraising Bank)

Sr.	Risk Factors
1	The Company was referred to BIFR in FY 2003-04, due to economic recession leading to vertical downward drop in sales and complete erosion of the net worth of the Company. Now the company is out of BIFR by registering profit in the last three years as resultant of booming economy. Since, the economy is cyclical in nature, which might hit the company when the economy might face difficult times ahead.
2	The company has been able to increase sales in FY 2007 only at the cost of sacrifice in PBDIT margins
3	The warranties available, reputation of the suppliers (when finalized) with respect to after sales service and performance be ascertained with reference to other units using them and be commented upon.
4	Reverting to the strategy of targeting the architectural segment could cause problems to recrudesce, the poor record of the company is attributed to its targeting this customer base.
5	The present power supply position in Kharagpur and degree of DG set/ other backup source be ascertained and recorded. Obtaining of sanction of additional power load be made a pre disbursement condition.
6	Arrangements for additional coal and furnace oil required after implementation of the expansion project be indicated.
7	The company is yet to develop long-standing relationship with any one or more customers; the sales appear to be retail in nature to assorted customers.
8	The group is exposed to the volatility of aluminium prices.
9	Sectoral outlook: cyclical

Details of Credit Facility / Term Loan from Axis Bank

Pursuant to the application of the Company, Axis Bank, 7, Shakespeare Sarani, Kolkata has sanctioned Foreign currency Term Loan and other facilities amounting to Rs.1330 Lacs vide its letter no. EZ/CR/509/07/08 dated 06.11.2007 as stated below:

Sr. No.	Purpose of Loan	Amount (Rs. in Lacs)	Loan Type	Project
1.	➢ Installation of an additional Press line of 2700MT (3000US ton) capacity to increase the extrusion capacity by 7200Mtper annum. ➢ Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from installed capacity of 7500 MT to 7800 MT per annum.	1200.00	Foreign Currency Term Loan	Expansion project at our company.
2.	➢ Financial in lieu of security deposits in favour of WBSEB for New Press line.	100.00	Bank Guarantee (Inland)	Expansion project at our company.
3.	➢ For covering the Forex exposure of the borrower towards foreign remittances.	30.00	Loan Equivalent Risk (LER) on Forward Contract.	Expansion project at our company.
	TOTAL	**1330.00**		

Terms and Conditions of the Loan Agreement:

1)	**Facility**	**Foreign Currency Term Loan (FCTL)**
a)	Limit	Rs. 1200.00 Lacs This is in principle sanction and final sanction will be given post FY 2008 results and after the right issue has been successfully subscribed and money has been brought in for the implementation of the project. While our proposed exposure with regard to Term Loan in terms of INR is Rs. 12.00 crores @ BPLR-3.50% p.a., at the stage conveying final sanction we will specify the amount of foreign currency exposure proposed to be taken by our bank along with Rate of Interest.
b)	Purpose	➢ Installation of an additional Press line of 2700MT(3000US ton) capacity to increase the extrusion capacity by 7200 Mt per annum. ➢ Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from installed capacity of 7500 MT to 7800 Mt per annum.
c)	Security	**Primary:** First Charge on all the immovable and movable fixed assets of the company created from the said loan, both present and future. **Collateral:** ➢ Extension of Pari Passu Charge with Govt of West Bengal, Industrial Reconstruction Dept. and SBI on the immovable and movable fixed Assets of the Company, both present and future for the existing two Press Lines. ➢ Extension of Pari Passu charge with SBI over two office premises in the name of Paramsukh Properties Pvt. Ltd, at 2nd & 3rd floor at 113, Park Street, 'N' Block, Kolkata 16. ➢ Extension of Pari Passu charge on the current assets of the company as stated above, both present and future. **Personal Guarantee**: ➢ Mr. MP Jhunjhunwala. ➢ Mr. Vikram Jhunjhunwala. Latest CA Certified Networth Statement to be obtained prior to disbursement. **Corporate Guarantee**: Paramsukh Properties Pvt. Ltd.
d)	Margin (own Contribution)	61%. (Promoters contribution to be brought in tandem with loan disbursement).

e)	Rate of Interest (Indicative)	➢ FCTL: 6 months LIBOR+ 3.50 basis points payable at monthly intervals. ➢ Interest is to be reset at 6 months intervals.
f)	Tenor	87 months including moratorium of 15 months. (Assuming First disbursement taken place in Oct-08.)
g)	Repayment of Principal Repayment of Interest	In 24 equal quarterly installments of Rs. 50.00 lacs each starting January 2010. Interest to be serviced as and when due including moratorium.
h)	Prepayment	In case borrower desires to prepay the loan, the prepayment of loan will be accepted on the terms and conditions to be decided by the bank.
i)	Other covenants	➢ The borrower shall provide a certificate from Chartered Accountant, to the satisfaction of the Bank, certifying end use of term loan availed from the Bank and contribution/margins brought in by the borrower. ➢ The borrower should provide MIS on the project at quarterly intervals providing information inter-alia, on physical progress, expenditure incurred on the project, source of financing and adherence to the project implementation schedule.

General terms and conditions specific to project loans (FCTL)

1.	Project Cost	The borrower shall fully implement and operationalise the project within a total cost of Rs. 3042 lacs. For any escalation in the project cost, the same shall be borne by the Promoters from there own resources.
2.	Means of Financing	The cost of the project as above shall be financed by way of equity capital of Rs. 12.10 Crores (inclusive of Securities Premium), Internal Generations 6.32 Crores and FCL of Rs. 12.00 Crores. Any overrun in the project cost shall be financed by unsecured interest free funds from the promoters of the borrower. Any funds from the promoter would be subordinate to credit facilities availed from the bank. The promoter of the borrower shall also undertake to finance any shortfall or delay in receipt of subsidy to ensure smooth implementation of the project. The terms and conditions governing various means of financing shall be made available to the Bank. These shall be satisfactory to the Bank.
3.	Date of Completion	The project shall be completed in all respects and commercial operations commenced as mentioned below: ➢ New Press line (2700 MT) by January 2009. ➢ The existing Press line will be upgraded with new automatic extrusions handing equipment as follows: • 1620MT Press with new Puller and Handling System from July 2009. • 1250MT Press with new Puller and Handling System from October 2009. Any time overrun shall be bought to the notice of the bank immediately.

4.	Financing related conditions	➢ Any subsidy obtained Pre/post-implementation of the project shall be deposited in the project account, and shall be utilized for partial repayment of the term loan or for other purposes with the prior written permission of the Bank. ➢ The borrower shall seek reduction of Bank loan to the extend of savings in the project cost.
5.	Disbursement	Payment will be mode directly to vendors.
6.	Financial Covenants	a) During the tenor of the Bank's loan, the TOL/TNW of the borrower shall not exceed 0.90 for New Unit and Maximum of 2.13 for New and Existing Units taken together. The TOL shall be defined, as the sum of all current liabilities, senior debt, junior debt, lease obligation and unsecured debt other than promoters' unsecured loans {to the extent of undertaking for non-interest bearing, non-repayable during tenor of Bank's loan). The TNW shall be defined as the sum of Equity and Reserves (other than revaluation reserve) less deferred tax (if the same is aggregated as part of reported reserves). b) The borrower shall maintain a minimum Fixed Asset Cover of 2 for New Unit and Average of 2 for all the units taken together during the tenor of the Bank's loans. The Fixed Asset Cover shall be computed as the ratio of Net Fixed assets (excluding revaluation) and the, aggregate secured term debt. c) The borrower shall maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.73 and Average DSCR of 2.74 for New Unit, and Minimum DSCR of 1.65 and Average DSCR of 2.57 for all the units taken together during the tenor of the Bank's loan. The DSCR shall be computed as the ratio of: (EBITDA- Tax) and (Annual Principal Repayment to Senior Project lender(s) and interest payments on all senior loans including working capital loans. If any). d) The financial covenants shall be tested on a quarterly/semi-annual basis and shall be reported in the monitoring report to be submitted by the borrower.
7.	Pre - disbursement Conditions	a) The disbursement of FCTL will materialize once the Rights issue has been successfully subscribed and the money has been brought in for the implementation of the project. b) The borrower shall execute all documents, create security and comply with such other conditions like opening specific accounts, as may be requirecl by the stipulated terms and conditions. c) The borrower shall achieve complete financial closure as per Means of Financing stipulated earlier. Further the company is going for Right Issue. so any shortfall that might result from such an issue shall be subscribed by the promoters. d) The borrower shall obtain all necessary statutory permissions from Regulatory, governmental, environmental and other agencies. It shall provide copies of such permissions to the Bank for its record. e) The borrower shall, at the time of each drawl, furnish a certificate from a qualified Chartered Accountant giving details, of Cost incurred on the project and means of financing of the same. f) The borrower shall also provide an affirmation that all its permissions MOUs/Agreements/deeds and other project documents executed by it are current and there is no dispute or default committed by any of the parties to such agreements. g) The Bank reserves the right to withhold disbursement of the loan at any time if in its opinion, there occurs any event that adversely affects the viability of the project or there has been an event, of Default under any Agreement/MOU/other document executed by the Borrower for the purpose of the Project, including but not limited to the Loan- Agreement. h) In case the project cost reaches a stage where the contingency provision calculated @5% of the project cost needs to be utilized, the borrower shall submit a detailed report explaining the reasons for utilization of the contingency provision.

		i) The Bank-Shall withhold disbursement of the loan equivalent to the margin money or working capital till such time that the project is completed and build-up working capital commences. j) The Bank shall at its discretion obtain a confidential credit report on the borrower from its other lenders.
8.	Project Monitoring	a) The borrower shall satisfy the Bank that the physical progress of the project as well as expenses incurred is as per original schedule. The borrower shall furnish quarterly reports to the Bank giving details on physical progress of the project vis-a-vis project implementation schedule, expenditure so far incurred on the project, means of financing and own contribution brought in duly certified by a Chartered Accountant as well as compliance of other lending conditions. b) Bank at its own discretion may appoint a Technical Firm to monitor the progress of the project. The expenses in this regard will have to be borne by the borrower.
9.	Other Project conditions	a) The Bank shall have the right to conduct a review of the Project at any stage before or after commencement of commercial production and the Borrower shall facilitate the same. b) The Borrower agrees that if as a result of the review, the Bank determines that the borrower has not implemented/is not likely to implement the project within the project cost and / or the completion date, the Bank may, stipulate additional conditions including strengthening of management set up, change in means and terms of financing and other measures that may be required for better project management and are beneficial to the project viability. c) The borrower shall appoint technical, financial and, executive personnel with appropriate qualifications and experience for the key positions and shall satisfy the Bank on the adequacy of the organizational set up for smooth implementation and operation of the project. d) The borrower shall finalize its selling arrangements to the satisfaction of the Bank. e) The borrower shall obtain necessary sanction of power, water, fuel, etc from the relevant authorities to the satisfaction of the Bank. f) The borrower shall make adequate arrangements for treatment and disposal of effluents, solid waste and emissions from its project and shall furnish appropriate approvals from the authorities in this regard. g) The borrower shall broad base its Board of Directors and finalize and strengthen, its management set-up to the satisfaction of the Bank, if necessary. h) The borrower shall carry out safety/environment/energy, audit of its project to the satisfaction of the Bank. i) The Bank reserves the right to appoint qualified accountants / technical experts / management consultants of its choice to examine the books of accounts, factories and operations of the borrower or to carry out a full concurrent/statutory audit. The cost of such inspection shall be borne by the Borrower. j) In case any condition is stipulated by any other lender that is more favorable to them than the terms stipulated by the Bank, the Bank shall at its discretion. apply to this loan such equivalent conditions to bring its loan at par with those of the other lenders.

2)	Facility	Bank Guarantee (Inland)
a)	Amount	Rs. 100 lacs.
b)	Purpose	Financial in lieu of security deposits in favour of WBSEB for New Press line.
c)	Security	**Primary:** ➢ Omnibus Counter Guarantee of the Company. **Collateral:** ➢ Extension of Pari-Passu Charge with Govt. of West Bengal, Industrial Reconstruction Dept. and SBI over the entire fixed assets (both moveable and immoveable) of the company (both present and future). ➢ Extension of Pari Passu charge with SBI over two office premises, in the name of Paramsukh Properties Pvt LId, at 2nd & 3rd floor at 113,Park Street, 'N' Block, Kolkata- 17. ➢ Paripassu Charge over the entire Current Assets (both present & future) of the company, except for receivables under Bills under LC where Axis Bank has exclusive charge. **Personal Guarantee:** ➢ Mr. MP Jhunjhunwala . ➢ Mr. Vikram Jhunjhunwala Latest CA Certified Networth Statement to be obtained prior to disbursement. **Corporate Guarantee:** Paramsukh Properties Pvt Ltd.
d)	Commission	As per Bank's standard rates as under: Financial 2.00% p.a.
e)	Margin	Cash Margin 10%in the form of FD. 100% cash margin in case of disputed liabilities.
f)	Period	Maximum up to 36 months inclusive of claim period.
g)	Other covenants	➢ Guarantees to be executed in a format acceptable to the Bank and with quantum and duration of the liability clearly specified in unequivocal terms. The guarantee should contain our usual limitation clause. ➢ The borrower from its own resources will honour commitments under the guarantee. ➢ BG limit of Rs. 100.00 lacs will be disbursed after compliance of the terms and condition for the disbursement of FCTL.

3)	Facility	Loan Equivalent Risk (LER) on Forward Contract.
a)	LER	Rs. 30.00 lacs.
b)	Margin	100% cash margin.
c)	Security	**Personal Guarantee:** ➢ Mr. MP Jhunjhunwala . ➢ Mr. Vikram Jhunjhunwala Latest CA Certified Networth Statement to be obtained prior to disbursement
d)	Purpose	For covering the Forex exposure of the borrower towards foreign remittances
e)	Tenor of the contract	Upto One year.
f)	Other covenants	a) A letter of request will be submitted by the borrower for booking forward contract along with the authority to debit its account with the cancellation charges, if any. b) Forward cover contracts shall be duly stamped as per state Stamp Acts and signed by authorized signatories of the borrower. c) RBI/ FEDAI rules and regulations shall be observed meticulously by the borrower. d) The borrower to furnish a certificate to the effect that the exposure covered by the contract has not been covered with any other Bank. e) Depending on the volatility of forex markets, the Bank in its absolute discretion, may insist for requisite cash margins for booking of forward contracts despite sanction of LER limit. f) Borrower to take delivery/ pick-up under the contracts during the delivery period. g) Borrower to bear charges, if any, accruing on account of early delivery / extension / cancellation of the contracts. h) In the event of extension / cancellation. borrower will inform the Bank before the expiry date of Contract. i) Borrower to bear the exchange risk, if any, and undertake to compensate the Bank, any loss incurred by them whatsoever. j) In case the exposure reaches 90% of the LER limit, the Bank would reserve the right to stop accepting fresh bookings and insist on additional margins to revive the facility. k) The borrower will be required to submit an undertaking that these forward contracts limits will be within the overall permissible limit from the banking system as per RBI Regulations. l) In case the exposure reaches the LER limit due to adverse market movements, the Bank, at its discretion, would cut positions appropriately to an extend of 25% of the LER limit.

It is hereby confirmed that firm arrangements through verifiable means have been made towards 75% of the above stated means of finance, excluding the amount to be raised through this Rights Issue.

About the projects:

The detailed cost wise break up is given as under: -

i. Land & Building

This is an expansion project at the existing premises at WBIIDC Industrial Growth Centre, Plot – 7A, Sector – B, Nimpura, Kharagpur. Hence there is no additional Land cost.

The new Extrusion Press Line and utilities would be housed in a new factory shed covering an area of around 2500 sq. meters having RCC column with steel roof truss and aluminium corrugated sheets.

DETAILS OF LAND AND BUILDING

Sl No.	Description	Type of Construction	Effective Height	Floor Area	Rate / M²	Estimated Cost Rs. Lacs
1	Land	Existing	-	-	-	-
2	Internal Road	Inter lock Pavers	-	150 M x 6 M	1500	13.50
3	**Building**	RCC columns with steel roof Truss & Asbestos Corrugated Sheet				
a)	**Main Factory Building**					
	- Press Bay for 2700 MT Press	with 5 T / 6 T Single Girder EOT Crane Structure	10 M	100 M x 25 M	7000	175.00
	- LT / DG / Compressor Room	RCC Roof structure	6 M	20 M x 10 M	5000	10.00
b)	**Ancillary Factory Building**					
	- Cold Water Sump for Press, IBH & Quench	RCC	-	Capacity - 45 KL	LS	3.00
	- Hot Water Sump for Press	RCC	-	Capacity - 10 KL	LS	2.00
	- Pump House	RCC	4 M	8 M x 5M	4000	1.60
	- Additional Emergency O/H Raw / Soft Water Tank for IBH	RCC	15 M	Capacity - 15 KL	LS	8.00
	- Out Door HT Sub-station Extension	Fenced / RCC	-	12 M x 8 M	LS	3.00
	- Sewer & Storm Water Drainage	RCC	-	-	LS	4.00
c)	Architect's Fee @..	-	-	-	3%	6.60
						226.70
d)	Contingencies @..				5%	11.34
						238.04

ii. Plant & Machinery

The details of Plant and Machinery have been given as under:

MAIN PLANT & MACHINERY

Sl No.	Description	Specification	Quanttiy (No/Set)	Supplier	Estimated Cost Imported Rs. Lacs (FOB)	Estimated Cost Indigenous Rs. Lacs (Ex-works)	Remarks
1	Heavy Duty Fully Automatic Hydraulic Circular Saw Aluminium Alloy Cold Billet Cutting Machine with : - Log Storage Table - Log Pusher Table - Billet Stirage Table - Mist. Lubrication System - Chip / Scrap Conveyor - Chip Collector and Electric Controls etc.	Under Table Pivot Type Linear Speed : 3500 M/Min Billet Dia : 125 mm to 230 mm	1	Not identified	-	-	Quotation
2	Twin Chamber Electrical Resistance Heated Air Circulating Die Preheater	Top opening Each Chamber - 500mm(W) x 500 mm (D) x 700 mm (L)	4	PIONEER Vallav Vidya Nagar	-	26.80	Quotation
3	Mains Frequency Electrical Induction Billet Pre-Heater with Billet Charging Elevator, Hydraulic Pusher, Pneumatic Counter Holder, Discharge Conveyor with Taper Heating System	Capacity - 250 Kg / hr to 2500 kg / hr 950 KW Model : Pioheat AL 950	1	PIONEER Vallav Vidya Nagar	-	82.55	Quotation
4	i) 3000 UST (2700 MT) Self Conained Hydraulic Aluminium Extrusion Press ii) Spare Extrusion Tooling	Single Action, Direct, short stroke Rear loading	1 1	GIA, Clecim	935.00 76.50	-	Quotation € 1,700,000 Estimate
5	Conveyor Belt Type Extrusion Handling Equipment including Puller, Stretcher and Finish Cut Saw - for 2700 MT Press	(complete)	1	GIA, Clecim	649.00		Quotation € 1,180,000
	- for 1620 MT Press - for 1250 MT Press	(without Stretcher/Final Cut Saw)	1 1	OKD, Thailand - do -	294.00	-	Quotation $358110 each
6	Hydraulic Oil Cleaner with Dehydration Unit and Contamination Checking Kit	Model : ELC 100 LP & LVDH 50	1	Ferrocare Kolkata	-	4.92	Quotation
7	Hydraulic Die Ejector (Die Disassembling & Butt Cutting Machine)	Model : DM TC STD	1	Not yet known	-	10.00	Estimate

8	EOT Crane with Gantry Girder, Rail and shrouded Bus DSL	Double Girder Span - 25 M Capacity - 5 / 6 MT LT - 100 M Lift - 7M **Speed** LT - 20 M/min CT - 10 M/min Hoist - 5 M/min	2	Fecund Matflow, Kolkata	-	70.00	Estimate 20 x 2 for cranes + 30.00 for GG with Rail
9	Ageing Furnace Shifting		1	Departmental	-	10.00	Estimate
10	Die Nitriding Furnace (at Press Bay - Crane area to handle Die with basket)	Max. load capacity - 500Kg Inside Dimension - 600 dia x 750 depth	1	Not Yet Known	-	5.00	Estimate
11	Electriclly heated Drop Bottom Quench Solutionising Furnace	Model : PSO 60 / 185 600 mm dia x 1850 mm height Batch Capacity - 650 Kg	1	PIONEER VV Nagar	-	28.90	Quotation
12	Roll Contour Machine	for Profile / Shape correction	1	Not Yet Known -	-	25.00	Estimate
13	Hydraulic Circular Saw Cold Extrusion Cutting Machine with In-feed & Out-feed Conveyors	For Motor Body, Heat Sink & Rod Cutting	2	Departmental tal	-	30.00	Estimate
14	High Density Hydraulic Baling Press (Side ejection)	PLC Controlled with Oil Chiller Chamber - 30"x38"x74" Bale Size : 14" x 14" x 8"/10"	1	Advance Hydrautech (P) Ltd. New Delhi	-	21.50	Quotation
15	High Speed Double Column Band Saw Machine	For cutting Hot Die Steel	1	ITL Industries Indore	-	40.00	Estimate
16	CNC Wirecut Machine	For manufacturing of Dies Model : 'SPRINTCUT'	1	Electronica Pune	-	28.00	Quotation
17	**UTILITIES** A) **Electicals (HT/LT)** - Consulancy Fees - HT Installation - HT VCB - Power Distribution Transformer with OLT/AVR - LT Panel, PDBs, Lightning DBs, MCC - Bus Duct Connection - LT Cables, Cable Trays - Lighting (Plant) - LT Earthing - LT Equipment Installation	2 x 1500 KVA 33 KV / 415 V, 3 Phase AC	L.S.	Reputed	-	120.00	Estimate

	B) **Water System** - Induced Draft Cooling Tower with Water Filtration Unit (50 mesh i.e. 0.5 mm) & Reverse Flushing or Sand Filter to remove sludge from water						
	i) For IBH & Press	2000 LPM	1	Southern Cooling Tower	-	1.97	Quotation
	ii) For Quench	1500 LPM	1		-	1.50	Quotation
	- Water Pumps						
	a) Raw Water - 3.5 Kg/Cm²	For IBH + Press + Quench + Solutionising 1200+ 650+1500 = 3350 LPM	4	N P Syndiate	-	4.40	Estimate
	b) Soft Water - 3.5 Kg/Cm²	300 LPM	4	Kolkata	-	0.96	Quotation
	- Pipe and Pipe Fittings & support structures	-	L.S.	Local	-	10.00	Estimate
	- Normal Water Requirement	1) For IBH - Closed Circuit (Soft Water) - 300 LPM (45° - 65°) - Open Circuit (Raw Water) - 1200 LPM (35° - 40°) 2) For Press - Open Circuit - 650 LPM at 30° C (Raw Water) 3) For Extrusion Quenching (Raw Water) - 1500 LPM at 12 Kg/Cm²					
	Overhead Water Requirement	EMERGENCY : 2500 L at 15 M head (Soft Water)					
	C) **Compressed Air System**						
	- Electric Powered Silence Package Screw Air Compressor	Model : CPB30/T Air Cooled 127 cfm at 7 Kg/Cm²	1	Chicago Pneumatic	-	3.90	Quotation
	- Air Receiver with Auto Drain Valve	Capacity : 1000 Ltrs at 7 Kg / Cm²	1	Trinity Kolkata	- -	0.44	Quotation
	- Compressed Air Dryer	Heatless Type (172 cfm)	1	- do -	-	0.96	Quotaiton
	- FRL Units	-	4	Norgen	-	0.20	Estimate
	- Pipe and Pipe Fittings & support Structres	-	L.S.	Local	-	3.00	Estimate
D)	Weighing Scale 500 Kg.		2	Avery India Kolkata	-	2.00	Quotation
18	D.G. Set (Emergency Supply)	380 KVA, 3 phase, AC	1	Cummins / Cramford	-	19.00	Estimate
19	Hydraulic Oil & Consumables	(Grade : 46-56 & 68 Viscosity at 40°C) for Billet Cutting - Extrusion Press - Handling Equipment - Die Ejector	12000 Ltrs (Hyd. Oil + Engine Oil)	IOC / BP	-	8.00	Estimate

20	Fork Lifts	Capacity 3 T with standard accessories	2	VOLTAS	-	15.20	Quotation
21	Digital Weighing Scale	For Quality Control Capacity : 5 Kg	2	Reputed	-	0.50	Estimate
22	Granite Surface Table	For checking straightness of profiles 3 M x 1 M x 35 mm (Thick)	1	Jash, Indore	-	1.00	Estimate
23	Jim Screw	Screw Rod 150 mm dia for larger dia extruded rod straightening	2	Local	-	1.50	Estimate
24	Hardness Tester	Vickers-cum-Brinell Hardness Tester	1	FIE, Miraj	-	1.25	Estimate
25	Erection Tools & Tackles	As per List attached	L.S.	Local	-	8.00	Estimate
26	Portable / Hand Held Temperature Indicator with Thermocouples / Probes	Range 0 - 1200°C	2	Local	-	0.08	Estimate
	Infra Red Non-contact type Temp. Indicator	Range 0 - 400°C	1	Local	-	0.12	Estimate
27	Air Conditioners for Extrusion Press Panel	1.5 T each	2	LG / Voltas	-	0.40	Estimate
28	Fire Fighting Equipment	Foam Dry Chemcial Powder Carbon Di-oxide Fire Buckets	L.S.	Minimax (Apex)	-	1.00	Estimate
29	Log / Billet Storage Bins, Pallets etc.	M.S. Fabrication	10 M.T.	Local	-	5.00	Estimate
30	Ageing / Scrap Storage Bins	M.S. Fabrication	20 M.T.	Local	-	10.00	Estimate
31	IBH Platforms, Stair Railing, Ladders, Trench Covers, Manhole / Pit Covers	M.S. Fabrication	20 M.T.	Local	-	10.00	Estimate
	SUB TOTAL				1,954.50	613.05	
32	Recommended Commissioning Spares @ ... FOB/Ex-works	5%	-	-	97.73	30.65	Estimate
33	Supervision for Erection and Commissioning including Travel and Accommodation @ 2% of FOB / Ex-works	2%	-	-	39.09	12.26	Estimate
34	Civil Work, Civil Foundation and Installation of Plant & Machinery and Electrical @ … of FOB/ Ex-works	2%			39.09	12.26	Estimate

35	Architect's Fee for Machinery and Civil Foundation @ ... of Civil Work	3%			1.17	0.37	Estimate
36	Packing and Forwarding @ … of Ex-works/FOB Cost	2%			39.09	12.26	Estimate
37	Insurance and Freight @ ... on FOB	2%			39.09	0.61	Estimate
38	Import Duty including Bank Charges on CIF @…..	7.50%			159.78	-	
39	Taxes & Duties						
	ii) Excise Duty/CVD @ …..	16.48%			377.42	108.20	
	ii) CST @.. on (Ex-works+P/F+I/F+ED)	3%			-	22.02	
40	Unloading / Shifting @ ….	0.50%			9.77	3.07	
					2,756.73	814.76	
	Less : CENVAT / CVD				377.42	108.20	
	Less : Average Discount (Estimate…)	15%			356.90	105.98	
				Total :	2,022.41	600.57	
	Add : Contingencies @ …..	5%			101.12	30.03	
					2,123.53	**630.60**	
	Total Cost of Plant & Machinery					**2,754.14**	

iii. Contingencies

We have considered Rs. 150 lacs towards contingencies , approximately 5% of the Cost of Buildings and Plant and Machineries, since lead times for project implementation is somewhat longer.

iv. Margin Money for Working Capital

Calculation of security margin on working capital has been given with the financial projections.

(Rs. in '000)

Particulars			Year ended 31st March 2007	2008	2009	2010
Inventory						
Raw Material	7		21048	15372	16451	26908
Stock of Goods in Process	10		39858	21080	22093	35458
Stock of finished Goods	5		7160	13653	14342	22994
Consumable stores			12132	12132	12132	12132
Extrusion Dies			6671	4000	0	0
Total			86870	66237	65019	97492
Margin	25%		21717	16559	16255	24373
Eligible Bank Finance			65153	49678	48764	73119
Book Debts	30		111547	99447	105397	168313
Margin	40%		44619	39779	42159	67325
Eligible Bank Finance			66928	59668	63238	100988
Margin Money for L/C & B.G.			6460	6460	12460	12460
Margin	25%		1615	1615	3115	3115
Eligible Bank Finance			4845	4845	9345	9345
Other Current Assets			36132	27000	30000	35000
Margin	100%		36132	27000	30000	35000
Eligible Bank Finance			0	0	0	0
Total			241009	199144	212876	313265
Margin			104083	84953	91529	129813
Eligible Bank Finance			136926	114191	121347	183452
Trade Creditors	30		77219	68030	73035	119519
Eligible Bank Finance			59707	46161	48312	63933

Margin Money for Expansion Project

Margin Money in Year 2010	129813
Less: Available Margin in 2008	84953
Additional Margin	44860
Say	**Rs.4.50 Crores**

Right Issue Expenses

The expenses on Rights Issue, expected to be roughly around Rs. 25 Lacs are stated as below :

Sl No.	Particulars	Rs. in Lacs	% of total issue expenses	% of total issue size
1	Lead Manager Fees	10.00	40.00%	0.76%
2	Registrar Fees, Auditors fees, Legal Advisors Fees,	1.50	6.00%	0.11%
3	Printing ,Stationary and postage Expenses	10.00	40.00%	0.76%
4	Bank and other charges	1.00	4.00%	0.07%
5	Advertisement, Travel and Other Miscellaneous Expenses	2.50	10.00%	0.19%
	Total	**25.00**	**100%**	**1.89%**

All the expenses for the Rights Issue will be borne out of internal accruals of the company.

SCHEDULED PLAN OF IMPLEMENTATION

The company plans to start commercial production from the expansion project from June 2009. The detailed project execution schedule is given below:

Sl. No.	Activities	From	To
1	Project Zero Date	1st February, 2008	
2	Land development	February 2008	April 2008
3	Civil Construction - Press Bay - Utilities - Machinery Foundation	 May 2008 July 2008 January 2009	 November 2008 December 2008 February 2009
4	Plant & Machinery - Imported - Indigenous	 February 2009 May 2008	 March 2009 February 2009
5	Utilities	June 2008	January 2009
6	Erection	March 2009	April 2009
7	Commissioning / Trial run	April 2009	May 2009
8	Commercial Production	June 2009	

Some of the preliminary work is already in progress. Due to the long delivery period of the Extrusion Press, it is expected that the new equipment will be put into operation within 16 months, i.e., by June 2009.

Funds Deployed

Our Company has incurred an expenditure of Rs. 8.33 lacs on the expansion and modernization project till 31.12.2007 as per the Certificate of M/s. A L P S & Co, Chartered Accountants, Kolkata dated 21.01 2008. The break up of the expenditure incurred till date are given as under:

Particulars	Amount (Rs. In Lacs)
Cost incurred till 31.12.2007	
Advance Payment of Lead Manager Professional Fees Pre-Operative Expenses (To be allocated to separate heads of the Cost of Project)	2.00 6.33
Total	**8.33**
Means of Finance	
Internal Accruals	8.33
Total	**8.33**

Monitoring of Utilization of funds

The Board of Directors of our Company will monitor the utilization of the proceeds of the Issue. Our Company has not appointed any monitoring agency. The Company will disclose the utilization of proceeds of the Issue under a separate head in its balance sheet and periodical disclosure statements specifying the purpose for which such proceeds have been utilized. Our Company, in its balance sheet will provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

As disclosed under the head "Objects of the Issue" a significant portion of the Rights Issue proceeds will be used towards setting up the expansion cum modernization project. No part of the Rights Issue proceeds, will be paid by the Company, as consideration to Directors, Company's Key managerial personnel's or companies promoted by the Promoters except in the normal course of business.

VII. BASIC TERMS OF THE ISSUE

Terms of the Issue

The Equity Shares proposed to be issued on rights basis are subject to the terms and conditions contained in this Letter of Offer, the enclosed Composite Application Form ("CAF"), the Memorandum and Articles of Association of the Company, the provisions of the Companies Act, approvals from RBI, guidelines issued by SEBI, approvals from the stock exchanges where equity shares of the Company are listed, FEMA guidelines, notifications and regulations for issue of capital and for listing of securities and/ or other statutory authorities and bodies from time to time, the terms and conditions as stipulated in the allotment advice or letter of allotment or security certificate, the provisions of the Depositories Act, to the extent applicable, and any other legislative enactments and rules as may be applicable and introduced from time to time.

Terms of Payment

100% of the issue price i.e. Rs. 4/- shall be payable on Application.

Authority for the Present Issue

The authority for the present issue has been obtained vide the resolution passed by the Board of Directors of the Company at its meeting held on 15th December, 2007 and the shareholders approval obtained at Extra Ordinary General Meeting of the Shareholders held on 21st January, 2008.

Basis of the Issue

Equity shares of Re.1/- each are being offered to the Members of the Company on rights basis in the ratio of Thirty Three equity shares for every Forty Seven equity share (i.e. 33:47), whose names appear on the Register of Members of the Company as on the close of business hours on [*], being the record date fixed by the Company in consultation with BSE.

Ranking of the Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

Entitlement Ratio

The Equity Shares are being offered on rights basis to the existing Equity Shareholders of the company in the ratio of 33 (Thirty Three) Equity Share for every 47(Forty Seven) Equity Shares held as on the record date i.e. [*].

Fractional Entitlement

On applying the Rights ratio, the rights entitlement may contain certain fractional entitlements, in such case the fractional rights entitlement will be rounded off to the nearest integer. The resulting shortfall in allotment of shares, if any, shall be adjusted against the entitlement of the promoters.

Face Value

Each Equity Share shall have the face value of Re. 1/- each.

Issue Price

Each Equity Share is being offered at a price of Rs. 4/-(including a premium of Rs. 3/-).

Market Lot

The market lot for the Equity Share is 1. In case of physical certificates, the Company would issue one share certificate to a single Shareholder.

VIII. BASIS FOR ISSUE PRICE

Qualitative Factors

- Century Extrusions Ltd. (CEL) is in the business of manufacture of Aluminium Extruded Products for more than 15 years. The company has capacity constraints in achieving bigger share of the ever-growing extrusions market.

- The promoters of the company viz Mr. M.P.Jhunjhunwala and Mr. Vikram JhunJhunwala have more than 40 years and 17 Years of experience respectively in the Aluminum Industry.

- From the very inception of the company in 1991, the company has engaged highly experienced technical personnel who, over the years, have made continuous improvement in plant, machinery, process, alloy development and quality assurance.

- The existing technical staff members are highly experienced; some of them have as much as 15 to 20 years of experience. They have made good contribution for continuous improvement in the plant & machineries and process development over the years. Besides, senior technical personnel have gained excellent exposure to the latest 'State of the Art' technology by regularly attending Extrusion Technology seminars and expositions both within the country and overseas.

- India has significant surplus capacity for manufacture of Aluminium Metal and is therefore a significant net exporter of the metal. Further, the huge additional capacities planned for production of aluminium metal would come in stream gradually in each of the coming financial years. Hence, the downstream aluminum industry would continue to enjoy abundant availability of aluminium metal at competitive price from indigenous metal producers.

- CEL is taking the opportunity to enhance its production capacity to cater to the critical requirements in Medium and High Strength Alloy extruded products for end-use customers who prefer to directly purchase from the manufacturer to ensure consistency in product quality and timely services which are CEL's strengths.

- Company's products are well accepted in the industry and it enjoys goodwill from the customers.

- The entire process of manufacture is governed by standard opening procedures and Quality Assurance Plans (QAP) drawn up as per IS:9001:2000.

- The Company has a large base of very reputed and big customers, who have been and are continuing to grow at a very fast pace.

- The Company has come out of BIFR as a sick unit and now is a profit making entity growing rapidly both in terms of business and profitability.

Quantitative Factors

1. **Adjusted Earning Per share**

Particulars	EPS (Rs.)	Weight
(a) 2004 - 05	0.94	1
(b) 2005 - 06	2.27	2
(c) 2006 - 07	0.46	3
(d) Weighted Average EPS	**1.14**	

2. **Price/Earning Ratio (P/E) in relation to issue price of Rs. 4 per share**

(a) Based on 2006-07 EPS	8.70
(b) Based on Weighted Average EPS	3.51

3. **Industry P/E ratio:**

i) Highest	76.00
ii) Lowest	7.90
(iii) Average	10.8

(Source: CAPITAL MARKET DEC 17 – 30, 2007)

4. **Comparison of key ratios with the Company of comparable size in the same Industry Group**
For the year ended March, 2007.

Sr. No.	Company Name	Turnover (Rs. In Lacs)	B.V. (Rs.)	RONW %	EPS	P/E	Market Price as on 18-1-08
1	**Bhoruka Aluminium Ltd**	11663	13.88	34.02	4.73	18.26	86.35
2	**Sudal Industries Ltd.**	6852	16.88	21.70	3.63	7.35	26.70
3	**Alumeco India Extrusions Ltd. (June 2007)**	12451	3.98	20.84	1.40	22.21	31.10
4	**Issuer Company Century Extrusions Ltd.**	10257	2.09	22.22	0.46	25.11	11.55

[Source: Moneycontrol.com]

5. Return on Net worth

Year	RONW (%)*	Weight
a) 2004 – 05	-	1
b) 2005 – 06	117.02	2
c) 2006 – 07	29.46	3
(d) Weighted Average RONW *	**53.57**	

*Return on Net Worth is arrived at by dividing PAT by total shareholder's funds (Net Worth) at the end of the fiscal year/ period

6. Minimum Return on Increased Net Worth required to maintain pre-issue EPS of Rs. 0.46 is 17.87 %.

7. Net Asset Value

Particulars.	Amt. In Rs
(a) As on 31st March, 2005	(1.39)
(b) As on 31st March, 2006	1.05
(c) As on 31st March, 2007	1.57
(a) After issue	2.89
(b) Issue Price	4/-

The issue price of Rs. 4 per share is 4 times the face value of Re. 1/- per share of the Equity Shares being issued. The minimum return on net worth required to maintain pre-issue EPS of Rs. 0.46 is 17.87 % whereas the Company has earned RONW of 29.46% for the year ended 31st March 2007 and 117.02% for the year ended 31st March 2006. The offer price of Rs. 4 is 8.69 times the pre-issue EPS, which is lower than the simple average P/E multiple 10.80 for the comparable companies in the industry in which the Company operates. In view of the reasons mentioned above, our Company and the Lead Managers to the issue, in consultation with whom the Price has been decided, are of the opinion that the Issue Price is reasonable and justified.

The face value of the Equity Share is Re. 1/- per equity share and the Issue Price of Rs. 4 per Share is 4 (four) times of the face value.

IX. TAX BENEFITS

The Company is expected to get the following tax benefits according to the report dated 18th January 2008 submitted by its statutory auditor and reported hereunder.

Statutory Auditors' Letter

To
M/s. Century Extrusions Limited
113, Park Street
2nd Floor, 'N' Block
Kolkata – 700 016

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits available to Century Extrusions Limited (CEL / "Company") and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of this annexure are based on information, explanations, and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For ALPS & Co.
Chartered Accountants

A. K. Khetawat
Partner

Date: 18th January 2008

Place: Kolkata

TAX BENEFITS

1. Benefits available to the Company:

1.1 The Company has brought forward accumulated business loss of Rs.602.72 lacs and un-absorbed depreciation of Rs.476.52 lacs as on 31st March 2007 as per the Income Tax Return filed by the Company for the assessment year 2007 - 08. The said amount would be available for adjustment against future profits under Section 72 of the Income Tax Act, 1961. However, the Company would be liable to pay Minimum Alternate Tax (MAT) under Section 115 JB of the Income Tax Act, 1961.

1.2 The Company will be entitled to claim depreciation allowance at the prescribed rates on Fixed Assets under Section 32 of the Income Tax Act, 1961.

1.3 The Company will be entitled to claim expenditure incurred in respect of Voluntary Retirement Scheme under Section 35DDA of the Act in five equal annual installments.

1.4 In accordance with the provisions of Section 10(38) of the Act, the long term capital gains arising on the transfer of securities / units in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax (STT) under Chapter VII of the Finance (No.2) Act, 2004), shall be exempt from Income Tax.

1.5 The long term capital gains accruing to the Company otherwise than as mentioned in 1.4 shall be chargeable to tax in accordance with and subject to the provisions of Section 112 of the Act, as follows:

- If long term capital gain is computed after indexation @ 20% (plus applicable surcharge and education cess including secondary and higher education cess).
- If long term capital gain is computed without indexation @ 10% (plus applicable surcharge and education cess including secondary and higher education cess).

1.6 The short term capital gains accruing to the Company, from the transfer of a short term capital asset, being securities, in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), shall be chargeable to tax at the rate of 10% [plus applicable surcharge and education cess including secondary and higher education cess] as per the provisions of Section 111A of the Act.

1.7 The Company is eligible to claim exemption in respect of tax on long term capital gains under Sections 54EC and 54ED of the Act. If the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified in those sections.

1.8 The Company is eligible to exemption under Section 10(34) of the Act in respect of income by way of dividend received from other Domestic Companies.

1.9 The Company is eligible to exemption under Section 10(35) of the Act in respect of income by way of dividend received from mutual fund specified under Section 10(23D) of the Act and other specified undertakings / companies.

1.10 The Company is eligible for brought forward tax credit u/s 115 JB to set-off against tax payable on the total income in the future years under the provisions of the Income Tax Act, 1961.

1.11 As per the provisions of Section 88E of the Act, where the income chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such business income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income.

2. To the members of the Company

2.1 Residents

(a) Members of the Company will be entitled to exemption, under Section 10(34) of the Act in respect of the income by way of dividend received from the Company.

(b) The long term Capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), shall be exempt from tax as per the provisions of Section 10(38) of the Act.

(c) The long term capital gains otherwise than as mentioned above, shall be chargeable to tax in accordance with and subject to the provisions of Section 112 of the Act as follows:

- If long term capital gain is computed after indexation @ 20% (plus applicable surcharge and education cess including secondary and higher education cess).
- If long term capital gain is computed without indexation @ 10% (plus applicable surcharge and education cess including secondary and higher education cess).

(d) The short term capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), shall be chargeable to tax @ 10% [plus applicable surcharge and education cess including secondary and higher education cess] as per the provisions of Section 111A of the Act.

(e) The members of the Company are entitled to claim exemption in respect of tax on long term capital gains under Sections 54EC and 54ED of the Act, if the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified in those sections.

(f) Individuals or HUF members of the Company can avail exemption under Section 54F of the Act by utilization of the sales consideration for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.

(g) Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however, is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" for such amount paid on account of STT (Section 88E of theAct).

2.2 Non-Resident

(a) Non-resident members of the Company will be entitled to exemption, under Section 10(34) of the Act in respect of the income by way of dividend received from the Company.

(b) The long term capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), shall be exempt from tax as per the provisions of Section 10(38) of the Act.

(c) The long term capital gains accruing otherwise than as mentioned (b) above shall be chargeable to tax in accordance with and subject to the provisions of Section 112 of the Act.

(d) Under the first proviso to Section 48 of the Act, in the case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuation in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.

(e) The short term capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India (such transaction is chargeable to tax @ 10% [plus applicable surcharge and education cess including secondary and higher education cess] as per the provisions of Setion111A of the Act.

(f) The members of the Company are entitled to claim exemption in respect of tax on long term capital gains under Section 54ec and 54ED of the Act, if the amount of capital gains is invested in certain specified bonds / securities subject to the fulfillment of the conditions specified in those sections.

(g) Individuals or HUF members of the Company can avail exemption under section 54F of the Act by utilization of the sales consideration for purchase / construction of a residential house within the specified time period and subject to the fulfillment of the conditions specified therein.

(h) Where the income of the shareholder chargeable under the head "Profits and gains of business or profession" includes profits and gains from purchase or sale of securities liable to STT, a rebate is allowable from the amount of income tax on such income to the extent of the STT paid on such transactions. The amount of rebate shall, however, be limited to the amount of income tax arrived at by applying the average rate of income tax on such business income. No deduction, however, is available in computing the income chargeable to tax as "capital gains" or under the head "Profits and gains of Business or Profession" to such amount paid on account of STT (Section 88E of the Act).

(i) Under the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are more beneficial than the provisions of Income Tax Act, 1961, then the provisions of the DTAA shall be applicable.

(j) Non-resident Indians (as defined in Section 115C(e) of the Act), being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter-alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- As per the provisions of Section 115E of the Act, and subject to the conditions specified therein, long term capital gains arising on the transfer of Company's shares will be charged to Income Tax @ 10% (plus applicable surcharge and education cess including secondary and higher education cess). As per the provisions of Section 115F of the Act and subject to the fulfillment of the conditions specified therein, the long term capital gains arising on the transfer of Company's shares shall be exempted from income tax entirely / proportionately if all or a portion of the net consideration is invested within 6 months of the date of transfer in specified assets as defined in Section 115C(f) or any savings certificates referred to in Section 10(4B) of the Act. The amount so exempted shall, however, be chargeable to tax as long term capital gains under the provisions of Section 115F(2) if the specified assets are transferred or converted into money within three years from the date of acquisition thereof as specified in the said section.

- As per the provisions of Section 115G of the Act, Non-resident Indians are not obliged to file a return of income under Section 139(1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-A of the Act.

- Under Section 115H of the Act, where a Non-Resident Indian, in relation to any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish to the Assessing Officer a declaration in writing, along with his / her return of income under Section 139 of the Act for the assessment year for which he / she is so assessable, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from any foreign exchange asset, being an asset of the nature referred to in sub-clause (ii) to clause (v) of Clause (F) of Section 115C, in which case, the provisions of Chapter XII-A shall continue to apply to him / here in relation to such income for that assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- As per the provision of Section 115-1 of the Act, when a Non-resident Indian, elects not to be governed by the provision of chapter XII-A of the Act, then his / her total income shall be computed and charged in accordance with other provisions of the Act.

2.3 Foreign Institutional Investors

(a) Income by way of dividend received on shares of the Company is exempt under Section 10(34) of the Act.

(b) The long term capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), would be exempt from tax as per the provisions of Section 10(38)

(c) The short term capital gains accruing to the members of the Company on sale of the Company's shares in a transaction entered into in a recognized stock exchange in India, (such transaction is chargeable to Securities Transaction Tax under Chapter VII of the Finance (No.2) Act, 2004), would be chargeable to tax @ 10% [plus applicable surcharge and education cess including secondary and higher education cess] as per the provisions of Section 111A.

(d) Under Section 115AD(1)(b)(ii) of the Act, Income by way of Short Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in (c) above) held in the Company for a period of less than 12 months will be taxable @ 30% (plus applicable surcharge and education cess including secondary and higher education cess).

(e) Under Section 115AD(1)(b)(iii) of the Act, Income by way of Long Term Capital Gain arising from the transfer of shares (otherwise than as mentioned in (b) above) held in the Company will be taxable @ 10% (plus applicable surcharge and education cess including secondary and higher education cess). It is to be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to Foreign Institutional Investors.

(f) Long term capital gains on sale of shares of the Company by the members of the Company shall be exempt from Income Tax if such gains are invested in bonds / equity shares specified in Section 54EC or section 54ED of the Act respectively subject to the fulfillment of the conditions specified in those sections.

(h) Under the provisions of Section 90(2) of the Act, if the provisions of the Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident are more beneficial than the provision of Income Tax Act, 1961, then the provisions of the DTAA shall be applicable.

2.4 Benefits available to Venture Capital Companies / Funds

In terms of Section 10(23FB) of the Income Tax Act, 1961 all Venture Capital companies / funds registered with Securities and Exchange Board of India subject to the conditions specified, are eligible for exemption from income tax on all their income, including dividend and income from sale of shares of the Company.

2.5 Benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

2.6 Benefits available under the Wealth-tax Act, 1957

Asset as defined under Section 2 (ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

2.7 Benefits available under the Gift-tax Act, 1958

Gift tax is not leviable in respect of any gifts made to relative on or after September 1, 2004. Therefore, any gift of shares to relatives will not attract gift tax.

Meaning of Relative

1. Spouse of individual
2. Brother or sister of the individual
3. Brother or sister of the spouse of the individual
4. Brother or sister of either of the parents of the individual
5. Any lineal ascendant or descendant of the individual
6. Any lineal ascendant or descendant of the spouse of the individual
7. Spouse of the person referred to in (2) or (6)

The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of ordinary shares. The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of their holdings based on their residential status and the relevant double taxation conventions.

D. ABOUT THE ISSUER COMPANY

The information presented in this section has been extracted from publicly available documents, which have not been prepared or independently verified by the Company, the Lead Manager or any of their respective affiliates or advisors or the sources referred to herein. In this Section, we have relied on and referred to information regarding the industry and competitors from market research reports, other publicly available sources and information provided by the Company. Although we believe that this information is reliable, we have not independently verified the accuracy and completeness of the information.

I. Industry Overview

Extrusion is a versatile metal forming process, which enables designers, engineers and manufacturers to take full advantage of a wide array of physical characteristics of aluminium metal.

Complex shapes can be formed in one-piece extruded aluminium section, without any need for mechanical joining methods. The resultant profile is typically stronger than a comparable fabricated assembly and less likely to leak or loosen over efflux of time.

Extruded aluminium sections can be joined by all major methods in use today, including welding, soldering, or brazing as well as through use of adhesives, clips, bolts, rivets or other fasteners. Integral joining methods may be especially useful for certain designs.

Extrusion tooling is relatively inexpensive and may not require long lead times. Even short run prototypes can be produced at a moderate cost.

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

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

The aluminium extrusion market in the country can again be divided into two segments, viz. End-use Customer Segment and Trade Segment. The Trade Segment mainly deals in profiles used for Architectural, Transport and Electrical applications. The number of extrusion industries catering to the End-use Segment is very limited, and there is an entry barrier. As such, the price realization in the End-use segment is quite good and is reasonably stable. On the other hand, the price realization from the Trade Segment is completely market driven, and keeps fluctuating depending on the demand-supply equation.

Aluminium Extruded Products are used in:

- **Architectural Applications** such as profiles for Building systems, Structural Glazing, Curtain Walls, Aluminium Rolling Shutters, Windows, Doors, Partitions, False Ceiling, Tower Bolts, 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

The share of extrusions consumed in different applications at present is as follows:

(a)	Architectural and buildings	-	40%
(b)	Electrical Applications	-	20%
(c)	Industrial / Engineering	-	20%
(d)	Transport Sections / Auto Components	-	10%
(e)	Electronics / Defence / Others	-	8%
(f)	Exports	-	2%

(a) Architectural and Buildings

The Government of India's sustained growth target of over 9% for the future definitely augurs well for the Aluminium Extrusions Industry, whose biggest customer segment is **Architectural applications.** The **Construction** sector is doing very well with many new areas of construction coming up like Retail Chains, Shopping Malls, Information Technology Parks, Airports, Sports Stadium and other commercial property developments with very high consumption of Aluminium Extrusions.

The Architectural segment accounts for approx. 40% of the entire consumption of extrusions in India. Until not very long ago, the realizations from architectural segment, where maximum quantity of material was sold through trade, was not very attractive as the building construction industry had been unorganized and fragmented and there had been some indifference towards quality of extrusions used in construction. However, with entry of large and reputed property developers with focus on quality, firstly, the demand from the architectural segment is growing and is expected to continue growing at double digit growth rate and secondly, the quality- conscious extrusions manufacturers would have a distinct edge.

The Company's share in Architectural Segment was comparatively small till now. With the change in building construction industry as narrated above, the company would significantly increase its share as and when the additional capacity comes into operation to produce extrusions for the high-end applications in this segment.

(b) Electrical Applications

In the process of power sector reforms, the Govt. of India enacted the Electricity Act in 2003. It is one of the most important legislations in the history of India's Power Sector.

Followed by the Electricity Act, 2003, the Govt. of India has formed and notified the enabling National Electricity Policy. The policy aims at laying guidelines for accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders.

The National Electricity Policy has set the goal of adding generation capacity of more than 100,000 MW during the 10th and 11th Five Year Plan covering the period 2002-07 and 2007-12 respectively, so as to achieve per capita availability of over 1,000 units of electricity per year.

Further, the Govt. has announced Rural Electrification Policy in August 2006 which aims at creating Rural Electrification Distribution Backbone (REDB) with at least one 33/11 KV (or 66/11KV) sub-station in every Block and more, if required, as per load; networked and connected appropriately to the state transmission system.

The National Electricity Policy further proposes adequate and timely investments in transmission and also efficient and co-ordinated action to develop a robust and integrated power system for the country.

To meet the objective of rapid economic growth and "power for all" including household electrification, the National Electricity Policy estimates that an investment of the order of Rs. 900,000 crores at 2002 – 03 price level would be required to finance generation, transmission, sub-transmission, distribution and rural electrification projects.

The Government policy thus provides for very significant growth requiring huge investments in the power sector, which would provide a big boost in demand for Aluminium Extrusions in various electrical applications mentioned above.

(c) Industrial / Engineering

The robust economic growth in India is largely due to the 'industrial growth', which was 11.5% for the year 2006-07 as against 8.2% for 2005-06. The growth in the first quarter of the current financial year is even higher than in the corresponding period of the last financial year.

The industrial and engineering applications of aluminium extrusions are in Motor Housings, Gear Pump Casings, Ferrules, A. C. Louvers, Machinery Parts, Elevators, Pneumatic Actuators, Pneumatic Cylinders, Valve Bodies, etc.

The other applications for extrusions include profiles used for artificial limbs, Profiles used in luggage manufacturing, etc.

(d) Transport Sections and Auto Components

Aluminium Extrusions find applications in passenger and utility vehicles for manufacturing extruded & machined, and extruded, forged & machined components, for example, in car air-conditioners.

The extrusions are used in buses (Windows, Decorative Beadings, Grill Beadings, Step Edgings, Fluted Strips, Water Channels, Structural Members like Top Hats, Garnish Rails, Cross-Bearer Channels, I-Beams, Floor Planks, etc.) and in truck bodies. The use of Aluminium Extrusions in truck bodies has been limited until now as the initial cost of Aluminium Body is higher. However, the higher cost is more than compensated from fuel efficiency derived due to lighter weight of aluminium truck body, low maintenance and longer life span of truck bodies. Lighter vehicles also go a long way in protecting the ozone layer due to reduced emission of Green House Gases (GHGs) like CO_2, SO_2, etc.

Railways use Aluminium Extrusion for making windows, Overhead Racks, Decorative Beadings, Frames for seats & mirrors, etc.

(e) Electronics, Defence and Others

In electronics, the biggest use of aluminium extrusions is for Heat Sinks. All electronic equipments generate heat, which has to be dissipated, and there is no alternative to aluminium profiles, as aluminium is a very good conductor of heat. For example, each and every computer manufactured in the world uses aluminium extrusions for heat dissipation.

In Defence sector, Aluminium Extrusions find uses in manufacture of tents, detonator shells, Mat Ground Surface (MGS), parts for ammunition and various other applications. This segment mainly use profiles in Medium and High Strength Aluminium Alloys where the Company has specialization. There are not many other companies having technical expertise to produce material to meet the stringent requirement of defence applications.

(f) Exports

The export of aluminum extrusions from India presently is not significant. This is mainly because the extrusion manufacturers in India did not have world-class equipment to meet the stringent surface finish requirement for the export markets.

The new facility being put up by the Company and the new equipment being added to the existing Press Lines, are of world-class and are capable to produce goods which would meet the stringent requirement of surface finish and the company is confident of achieving break through in the export market once the expansion project comes into operation.

Further, over last few years, the Company did not have any capacity to feed the export market as it was even unable to meet the requirement of indigenous customers. With the new capacity, the company would surely make significant exports.

II. BUSINESS OVERVIEW

Introduction:

Our Company was incorporated on 2nd February, 1988 as a public limited company and is in the business of manufacture of Aluminium Extruded Products since 1991. Mr. Jhunjhunwala had promoted the company, after a long exposure in trading of Aluminium products and in manufacturing of Aluminium & Zinc based alloys.
Our Company has production facilities mainly comprising of a Re-melt Shop for casting billets, Tool Room for manufacture of Dies and two Extrusions Press Lines.

Our Company is engaged in manufacture of Aluminium Extruded products at its factory located at Kharagpur in West Bengal. In view of growing demand for extruded products, the company is proposing to double its installed production capacity from 7,500MT per annum to 15,000MT per annum by putting up one new Extrusion Press Line and adding new equipment with the existing facilities.

During the financial year ended 2006-07, the Company produced and sold 6410 MT of Aluminium Extruded products.

Aluminium Extrusions have wide applications in production of Hardware for Power Transmission & Distribution Lines. The Company has recently also decided to manufacture and supply Hardware for Power Transmission & Distribution Lines directly. The Company has put up a facility for production, assembly and testing of the Hardware kits at its existing factory location at Kharagpur. The facility has been installed in one of the existing buildings within our present factory site. The total investment in Plant & Machinery for this Project is relatively small at Rs.51.00 lacs only and the same is being financed from internal accruals and is not forming part of the rights issue. The Company expects to start supplies of the Hardware for Power Transmission & Distribution Line from beginning of the Financial Year 2008 – 09.

The Company has now undertaken the project for –

i. Installation of an additional Press Line of 2700 MT capacity to increase the extrusion capacity by 7,200MT per annum.
ii. Installation of fully automatic Extrusion Handling Equipment on the existing two Press Lines to further increase production capacity from installed capacity of 7500MT to 7800MT per annum.

With addition of the above new Equipment, the Installed Capacity would increase from present level of 7,500 MT per annum to 15,000 MT per annum. The total project cost is estimated at Rs. 3450 Lacs.

a. LOCATION OF THE PROJECT

The works of the company is located at WBIIDC Industrial Growth Centre, Plot No. 7A, Sector – 'B', P.O. Rakhajungle, Nimpura Kharagpur – 721 301 District Midnapur (W.B)

b. PLANT & MACHINERY, TECHNOLOGY & PROCESS

Plant & Machinery

The details of Plant & Machinery and other equipment proposed to be purchased for the modernization and expansion project are given in the Section "**Object of the Issue**" on page [*] of the letter of offer.

There is no Second hand machinery bought /or proposed to be bought for the proposed project expansion.

Technology

From the very inception of the company in 1991, the company has engaged highly experienced technical personnel who, over the years, have made continuous improvement in plant, machinery, process, alloy development and quality assurance.

The existing technical staff members are highly experienced; some of them have as much as 15 to 20 years of experience. They have made good contribution for continuous improvement in the plant & machineries and process development over the years. Besides, senior technical personnel have gained excellent exposure to the latest 'State of the Art' technology by regularly attending Extrusion Technology seminars and expositions both within the country and overseas.

The Company has necessary skill and experience at its disposal to carry out the expansion plans without any external help.

Manufacturing Process

Extrusion is a versatile metal forming process, which enables designers, engineers and manufacturers to take full advantage of a wide array of physical characteristics of aluminium metal.

Complex shapes can be formed in one-piece extruded aluminium section, without any need for mechanical joining methods. The resultant profile is typically stronger than a comparable fabricated assembly and less likely to leak or loosen over efflux of time.

Extruded aluminium sections can be joined by all major methods in use today, including welding, soldering, or brazing as well as through use of adhesives, clips, bolts, rivets or other fasteners. Integral joining methods may be especially useful for certain designs.

Extrusion tooling is relatively inexpensive and may not require long lead times. Even short run prototypes can be produced at a moderate cost.

Process:

'Direct extrusion' is the most common method in use today. 'Indirect extrusion' is a similar process, but with some important differences. In the direct extrusion process, the die is stationary and the ram forces the metal through the opening in the die. In the indirect process, the die is contained within the hollow ram, which moves into the stationary billet from one end, forcing the metal into the ram, acquiring the shape of the Die.

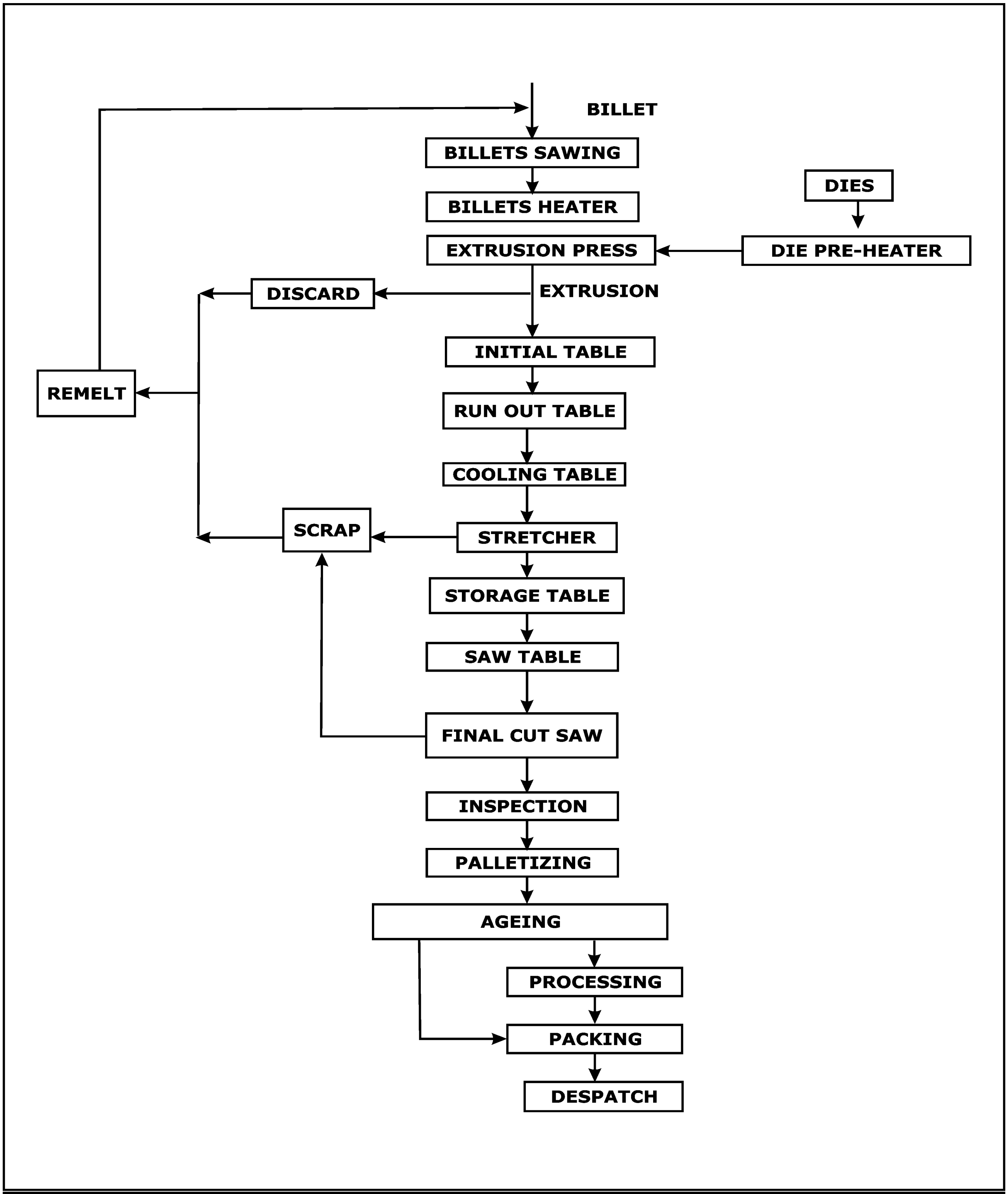
The 'direct extrusion' process involves aluminium metal being forced through a die with a shaped opening. This is made possible by preheating the billet to 450-550°C and then applying requisite hydraulic pressure. The heated and softened metal is forced against the container walls heated to about 430°C and the Die (which is also preheated to about 450°C) by a hydraulic ram, the only exit is the geometric cross-section of the Die opening and the metal is squeezed out. The exit temperature of metal from the die is carefully controlled in order to achieve good productivity, specified mechanical properties and excellent surface finish.

The company has and proposes to install the new press with 'direct extrusion' process.The press supplies the force necessary to squeeze billet through the Extrusion Die. It consists of:

- The container where the heated billet is put under pressure
- The main cylinder ram for pushing the billet into the container and through the Die.
- The front platen giving counter support to the Tool Stack.
- The main columns fixing the front platen and cylinder together.

The manufacturing process flow chart is given below.

ALUMINIUM EXTRUSION PROCESS FLOW CHART



Extrusion Billets

Billet is the starting stock for the extrusion operation. Extrusion billet is commonly cylindrical. It is usually a cast product, in a longer length of Chilled Cast Alloyed Aluminium, known as log / billet.

Aluminium extrusion alloys contain typically below 5% of elements such as Cu, Mn, Si, Mg or Zn. These alloying elements enhance the natural properties of Aluminium and influence the extrusion process.

The Billet length varies depending on a number of factors, including the desired length of the finish profile, the extrusion ratio, the length of the run out, and the requirements of the extrusion press etc. Standard lengths may run from about 350mm to 1200mm. The common outside diameters would range from 76mm to 229mm.

Dies and Tooling

Dies can be made to form virtually limitless shapes and sizes. A typical extrusion operation will make use of a Die assembly, including the Die itself which, together with a backer is enclosed within a Die Ring, placed in front of a bolster, with a sub-bolster behind, all together as a unit by a tool holder. The backer, bolster and sub-bolster provide the necessary support for the Die during the extrusion process.

The extrusion Die itself is a steel disc normally made of H-13 Hot Die Steel, with an aperture cut through, in the size and shape of the intended corss-section of the final extruded product.

Dies are broadly grouped as solid (or flat) dies, which produce solid shapes, and hollow dies, which produce hollow or semi-hollow shapes. Combination of solid, semi-hollow and/or hollow shape may be incorporated into a single die.

A die may have one or more apertures through which the pre-heated (softened) metal is forced (extruded). Multiple apertures in a single die produce multiple extrusions with each stroke of the press.

The semi-hollow die extrudes a shape that is nearly hollow, partially enclosing a void, the area of which (the area of the die tongue) is large in comparison with the gap where the tongue is connected to the main body of the die.

The hollow die takes a variety of forms, the most common being porthole and pancake. Bridge, porthole and spider dies, for example, include a fixed stub mandrel as an integral part of the die. Each type of hollow extrusion die serves certain functions and carries its own advantages and disadvantages. The manufacturing methods and costs vary widely. The choice of design and the manufacturing methods depend on the profile, press, container size and production requirement.

A critical and important characteristic of extrusion die is the effective bearing length which controls the metal flow through the die. The objective is to have all parts of the profile emerging from the Die at the same speed. The longer the bearing length means greater resistance to the flow of aluminium; and shorter the bearing length means lesser resistance to flow. By effective design, the thick part of a profile can be slowed through the use of longer bearings to match the speed of the thinner parts with short bearing.

Direct Extrusion Operation

In preparation for the extrusion operation, first we need to have the desired size and alloy billets and the desired shape Die with tooling ready. The billet and extrusion tools are pre-heated. During extrusion, billet is still solid, but has been softened in a pre-heater. Extrusion operations typically take place with billet heated to temperature in excess of 400°C and depending on the alloy to be extruded, may be as high as 550°C.

The actual extrusion process begins when the ram starts applying pressure to the billets within the container. The capacity of a press determines how large an extruded cross-section it can produce. The extrusion size is measured by its longer cross-sectional dimension, sometimes referred as CCD (Circumscribing Circle Diameter).

As pressure is first applied, the billet is upset inside the container against the Die. Then, as the pressure increases, the soft but still solid, metal has no place else to go and begins to squeeze out through the shaped orifice of the Die to emerge on the other side as a fully-formed profile.

About 10% of the Billet, including its outer skin, is left behind in the container after the full length has been extruded. The completed extrusion is cut off at the Die and the remainder billet known as 'discard' is removed from the press.

Extrusion rates vary, depending on the alloy used and the shape of the Die. For example, a High Strength alloy, given a complex shape, may emerge from the press as slowly as 300 mm per minute, and a soft alloy taking on a simple shape may be extruded at a rate as high as 30 meters per minute.

Depending on billet size and the die opening, a continuous extrusion as much as 10 to 50 meters long may be produced from one billet. The extruded product is supported on a run- out conveyor as it leaves the press. Depending on the alloy, the extrusion is cooled after emerging from the die, either naturally or by air or water quenching. This is the critical step to ensure desired metallurgical properties in the extruded profiles. The extrusion is then transferred to a cooling table.

Stretching
The stretcher is used to straighten the extrusion and correct any twisting that may have occurred in course of extrusion or subsequent cooling. The stretcher is also used to impart some cold work to the extrusion. From the stretcher table, extrusion is transferred to Saw-in-feed table.

Cutting
The finish cut saw is used to cut the profile to the customer specified length. Circular saws are the most common in use today and they may be of swing down type, or a table saw with the circular blade rising up to make the cut, then dropping down below the table for the return pass.

The circular saw may be 600mm to 800mm in diameter with more than 120 to 160 carbide tipped teeth.

These cutting saws are cooled by feeding cooling lubricant through the teeth of the saw for optimal efficiency and cut surface.

Automatic devices clamp profiles in place for sawing. Sawn chips are collected for recycling.

Ageing
Some extrusion alloys reach their optimal strength through the process of ageing, sometimes known as age-hardening. Natural ageing occurs at room temperature. Artificial ageing takes place through controlled heating in an ageing oven and is sometimes referred to as precipitation heat treatment.

When the profile emerges from the press, it is in semi-solid state, but rapidly solidifies as it cools or is quenched, either by air or water.

Non heat-treatable aluminium alloys (such as those containing Mn or Mg) derive their strength through natural ageing and cold working. The heat-treatable alloys (such as those containing Cu, Zn & Si with Mg) are further strengthened or hardened through controlled thermal treatments that affect the metallurgical structure of the alloys.

The ageing process ensures uniform precipitation of fine particles through the metal, yielding maximum strength, hardness and elasticity for the specific extrusion alloy.

Packaging

After desired ageing, whether in an ageing oven or at room temperature, the profiles are moved to packing area for packing and despatch to the customers or fabrication shop for further cold processing, if required.

Quality Assurance

The entire process of manufacture is governed by standard opening procedures and Quality Assurance Plans (QAP) drawn up as per IS:9001:2000.

c. COLLABORATIONS, PERFORMANCE GUARANTEES OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

The Company has no foreign collaboration at present.

d. INFRASTRUCTURE FACILITIES

1. Raw Material

The main raw material for the company is Aluminium Metal in form of Ingots and/or Billets. The Company sources its requirement of aluminium ingots from National Aluminium Co. Ltd., Hindalco Industries Ltd. and Bharat Aluminium Co. Ltd.

The detail of the production of primary metal in India (mainly in form of aluminium ingots) over last 6 years is given in the table below:

Years	Hindalco	Nalco	Sterlite Group Balco & Malco	Total
	MT	MT	MT	MT
2000 – 2001	296657	230516	115670	642843
2001 – 2002	307157	231674	99489	638320
2002 – 2003	318068	244708	126572	689348
2003 – 2004	389197	298208	129883	817288
2004 – 2005	411831	338527	131895	882253
2005 – 2006	426710	358309	166186	951205

Source: Aluminium in India, Journal published by Aluminium Association of India

India has very large reserve of good quality bauxite (6% of world's bauxite reserves – 2525 million tonnes), the mineral from which Aluminium is extracted and Aluminium Metal is produced. Huge investments to the tune of Rs. 300,000 million are involved in projects under advanced stages of implementation on expectations of demand surge and to reach competitive size.

India has significant surplus capacity for manufacture of Aluminium Metal and is therefore a significant net exporter of the metal. Further, the huge additional capacities planned for production of aluminium metal would come in stream gradually in each of the coming financial years. Hence, the downstream aluminum industry would continue to enjoy abundant availability of aluminium metal at competitive price from indigenous metal producers.

The Company has captive capacity for production of 9000MT of Aluminum Billets through our associate company. The balance of billets requirement would be met out of purchases from National Aluminium Co. Ltd. and if need arises, the company would import a part of its billet requirement.

2. Utilities

The power would be received from the West Bengal State Electricity Distribution Company Ltd., who is presently supplying power to the company. Water would be procured from WBIIDC as well as in-plant bore-wells. To meet additional Compressed Air requirement, it is proposed to install one Air Compressor with Air Dryer having a capacity of 127cfm at 7kg/cm². There will not be any solid / liquid disposable discharge.

a. Power

The additional requirement of power for the expanded capacity will be as follows:-

- Connected load : 3232 KW
- Maximum Demand : 2800 KVA
- Peak hour requirement : 2800 KVA

The power will be received from West Bengal State Electricity Power Distribution Co. Ltd. at 33KV from the existing High Tension Line installed at the plant premises.

For additional power supply, the expansion of H.T. Switchyard will have to be made. H.T. power will be stepped down to 415V by installation of a 3000KVA capacity Power Distribution Transformer with various Protections and installation of additional L.T. Distribution Boards, Power Distribution Boards, MCCs, Lighting DBs, etc.

Calculation for Power Distribution Transformer Capacity is given below:

- Total Connected Electrical Load = 3232 KW
  (As per attached Plant & Machinery List)
- **Considering**,

i)	Power Factor	=	0.86
ii)	Transformer Efficiency	=	85%
iii)	Diversity Factor	=	0.80
iv)	Load Factor	=	0.80

Transformer Capacity = 3232/0.86 x 0.80 x 0.80 x 1/0.85
= 2830 KVA

Hence 3000 KVA Power Distribution Transformer would be required.

b. Water

The requirement of water for the process and human consumption will be met from WBIIDC Water Supply system on chargeable basis and by in-house stand-by bore-wells. The estimated water requirement is given below:

Purpose	Quantity
Circulating (make-up / cooling)	60 cubic mtr./day
Human consumption	20 cubic mtr./day
Miscellaneous	10 cubic mtr./day
Total :	**90 cubic mtr./day**

Arrangement for Iron removal and Water Softening will be made. For cooling and re-circulation of process water, a cooling tower and pumping system will be provided. Underground raw water, soft water & process cold water sumps will also be constructed.

c. Compressed Air

About 127cfm of air will be required for the new additional facility for which Air Compressors and Allied Equipment will be installed.

d. Effluents

There is no process discharge and therefore, there is no disposal problem.

3. Manpower

The details of the manpower required for the expansion project are given in the table below:

Staff - Requirement for Expansion Project

Sl. No.	Department	Supervisors	Engineers / Officers	Managers	Total
(A)	**Extrusion Shop**				
	a) Shift Supervisor	03	-	-	-
	b) Production Manager	-	-	01	04
(B)	**Quality Assurance**				
	a) Floor Inspectors	03	-	-	
	b) Shift Supervisors	03	-	-	06
(C)	**Tool Room**	-	-	01	01
	Die Designer				
(D)	**Packing & Dispatch**				
	a) Shift Supervisors	03	-	-	
	b) Dispatch Assistants	02	-	-	05
(E)	Marketing	-	04	-	04
(F)	Materials Dept.	-	01	-	01
(G)	R & D	-	-	01	01
(H)	Personnel	03	-	-	03
	Total	**17**	**05**	**03**	**25**
	Reliever :	04	-	-	04
	Total (Staff + Reliever)	**21**	**05**	**03**	**29**

Workmen - Requirement for Expansion Project

Sl No.	Department	Workmen				Grand Total
		Skilled	**Semi-skilled**	**Un-skilled**	**Total**	
(A)	**Re-melt Shop**					
	a) Billet Cutting Machine	3	-	-	3	3
(B)	**Extrusion Shop**					
	a) IBH & Billet Loading	-	3	-	3	
	b) Extrusion Press	3	-	-	3	
	c) Run-out Table	-	3	-	3	
	d) Stretcher	3	3	-	6	
	e) Cutting Machine	3	-	-	3	18
(C)	**Tool Room**					
	a) Die Correctors (GS)	3	-	-	3	
	b) Die Issue & Caustic Cleaning	-	3	3	6	9
(D)	**Quality Assurance**					
	a) Inspectors	6	3	-	9	
	b) Sample preparation and Testing	3	3	-	6	
	c) Rectification, Salvaging and Post-Extrusion Processing	6	-	3	9	24
(E)	**Maintenance**					
	a) Electricians	3	-	-	3	
	b) Fitters (Hydraulic & Ors)	6	-	-	6	
	c) Helpers	-	-	6	6	15
(F)	**Packing**	ON CONTRACT				
(G)	**Loading & Unloading**	ON ONTRACT				
	Total	39	18	12	69	69
	Relievers	7	4	3	14	14
	Total (Workmen + Receivers)	**46**	**22**	**15**	**83**	**83**

Note : On installation of new handling system and Pullers on the existing two press lines, the requirement of manpower will reduce by 28. Hence, Net additional workmen to be employed would be 55.

Contractual Workmen
These apart, the Company will need 40 additional workmen on contract basis for loading, unloading, packing and dispatch jobs.

Increase in Manpower requirement / cost

Manpower	Nos.	Cost per person (Rs.)	Cost per month (Rs.)
Managers	3	25,000	75,000
Officers / Engineers	5	15,000	75,000
Supervisors	21	8,000	1,68,000
Workmen	55	6,000	3,30,000
Contractual Workmen	40	5,000	2,00,000
Total cost per month			8,48,000
Total cost per annum			101,76,000
Increase in cost of manpower on project implementation			**20%**

e. PRODUCTS

Aluminium Extruded Products are used in:

- Architectural Applications such as profiles for Building systems, Structural Glazing, Curtain Walls, Aluminium Rolling Shutters, Windows, Doors, Partitions, False Ceiling, Tower Bolts, Hand Rails, Door Handles, Hinges, Drapery Rods, Modular Furniture, etc.
- Profiles for Road Transport
- 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, P G Clamps, H-Connectors, Repair Sleeves etc. for Transmission Line Hardware, 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

The Company has consciously ventured into production of Value-Added products from Extrusions, which firstly makes the company a preferred supplier, and secondly, improves the profit margin for the company.

Some of the Value-Added products presently being manufactured by the company are –

a) ‘Wire’ and ‘Rod’ in coils for production of Armour Rods used in the power transmission lines

b) Rods – cold drawn, reeled and supplied in Cut-to-Length size for use on automats to enhance plant productivity at customers’ end.

c) Cold drawn and straightened Hexagonal Bars for the Pneumatic Connectors

d) Motor Housings in useable lengths for Domestic Water Pumps

e) Welding Filler Wires for TIG & MIG Welding

With the proposed expansion project, the Company will continue to produce similar types of extrusions, but of larger sizes and for critical applications. The Company has made a mark for itself in supplying extrusions which meet the stringent quality requirement of the customers in Soft, Medium as well as High Strength Alloy Extruded products. The new bigger press and the new handling equipment would considerably aid to the company’s capability in meeting the stringent requirement of its customers.

MARKET AND COMPETITION:

I. Introduction

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

The demand for aluminium extrusions has been good over last 4-5 years and continues to remain buoyant. With expected economic growth, very large additional primary metal capacities have been planned and are in the pipeline. This would lead to significant growth of the extrusions industry in India, which is a downstream industry for Aluminium.

The market for aluminium extrusions in India is growing at around 12-15% per annum, with some of the customer segments recording significantly higher growth rate. The extrusions industry in India produced approx. 225,000 MT of extruded products in the year 2006-07 (Refer table on next page). Assuming a future growth rate of 10% per annum, which indeed is a very realistic growth rate for the industry considering the sample average CAGR of some of Company's own customers over last 3 years as given elsewhere in this report, the market is expected to grow up to 362,000 MT by the year 2011-12.

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

List of Aluminium Extrusion manufacturing Companies in India

Sl.	Name of the Company	Zone	Location	Press Capacity MT			Installed Capacity MT/pa	Production 2006-07 MT/pa
	A. Small Manufacturers							
1	Chattisgadh Extru.Co Ltd	Central	Indore	900			1500	1350
2	AMA Extrusions P. Ltd.	Central	Nagpur	900	900		3000	2000
3	Unistar Forging P. Ltd.,	Central	Nagpur	900			1500	1350
4	Man Aluminium Ltd	Central	Indore		1000	1500	5000	3600
5	Valco Industries Ltd	North	Chandigarh & Baddi	900	900	1620	7500	7200
6	Swan Aluminium	North	Baddi		1250		3000	1800
7	Ind Solders Pvt. Ltd.	South	Chennai	600			1000	900
8	Excel Ano Components	South	Hyderabad	600			1000	600
9	Deccan Extrusions	South	Pondicherry	900			1500	1500
10	GTR Alloys	South	Banglore	900			1500	1200
11	KMC	South	Chennai	900			1500	1500
12	Sun Aluminium	South	Chennai	900			1500	1200
13	Alumec	South	Chennai	900			1500	1200
14	Jayakrishna Aluminium Ltd	South	Hyderabad		1250		3000	1500
15	Balaji Aluminium	South	Chennai	600	900		2500	2250
16	Lotus Aluminium	South	Hyderabad	600			1000	700
17	Krishna Aluminium Co Ltd	West	Mumbai	600			1000	900
18	Salco Extrusions Pvt Ltd	West	Mumbai	600	1250		4000	1200
19	B S Castings & Engg Ltd	West	Jalgaon	800	900		2500	1200
20	Gal Aluminium Ltd	West	Ahmedanagar	900	900	900	4500	4050
21	Poona Profiles	West	Pune	900			1500	1350
22	Aditya Aluminium Ltd	West	Gujarat	900			1500	1350
23	Shreeji Aluminium	West	Silvassa	900	900	900	4500	3000
24	Banco Aluminium Ltd	West	Baroda	900		1620	6000	5400
25	J M Industries	West	Ahmednagar	900			1500	1350
26	Royal Touch Aluminium	West	Ahmedabad	900		1620	6000	3000
27	Maharashtra Alu.Pvt Ltd	West	Mumbai		1200		3000	1200
28	Narmada Aluminium Ltd	West	Baroda			1620	4500	4050
29	Gujarat Alu.Extr. Pvt.Ltd	West	Baroda		1200		3000	2700
30	Rajmoti Extrusions Ltd.	West	Ahmednagar			1620	4500	3000
31	Superfine Extrusions	West	Ahmednagar	600	900	900	4000	3000
32	Saraswati Extrusions Ltd	West	Ahmednagar		1250		3000	1200
33	Others						20000	12000
					Total 'A'		**112500**	**79800**

B. Medium and Large Extrusion Manufacturers

	a. Primary Producers							
1	Hindalco Industries Ltd	North	Renukoot	1250	1800	2200	42000	38500
						2240		
		South	Alupuram		1250	3300		
					Total 'B.a'		**42000**	**38500**
	b. Secondary Producers							
1	Alom Extrusions Ltd.	East	Kolkata	880	1250	1600	9000	7200
2	Orissa Extrusions Ltd	East	Balasore	900	1250	2250	10000	3600
3	**Century Extrusions Ltd**	**East**	**Kharagpur**		**1250**	**1620**	**7500**	**6500**
4	Midi Extrusions Ltd.	North	Noida	900		2200	7500	2400
5	Mahavir Aluminium Ltd	North	Rajasthan		1250	1500	6000	5400
6	Jindal Aluminium Ltd	South	Bangalore	750	1500	1650		
				2000	2200	4000	50000	45000
7	Alumeco Extrusions India Ltd.	South	Hyderabad	900		1620	6000	6000
8	Agarvanshi Extru.Pvt Ltd	South	Hyderabad	900	1420		6000	5400
9	Global Extrusions Pvt Ltd	South	Hyderabad	900	900	1620	7500	6000
10	Bhoruka Aluminium Ltd	South	Mysore		980	1620	6000	5400
11	Sudal Industries Ltd	West	Nasik		1250	1620	7500	6000
12	Pankaj Extrusions Ltd.	West	Silvassa		1620	1620	9000	6000
					Total 'B.b'		**132000**	**104900**
	Total				**A + B**		**286500**	**223200**
	Operating Level							**77.91%**

Market growth from existing customers

The Company has a large base of customers, who have been and are continuing to grow at a very fast pace. During the financial year 2006-07, the Company had made supplies to over 500 customers comprising of over 400 end users and over 50 re-sellers.

The Company has been focusing the supplies to end-use customers where competition is limited and the margins are better. The company's share of supply to end-use customers is continuously increasing and currently stands at 85%. The company has been enjoying good order book, but could only derive a limited benefit due to capacity limitation. With the planned expansion, the Company expects to capture a significant portion of market for some special applications to end-use customers.

The growth of the Company's end-use customers in different segments is shown in the table below:

User Segment	**Average Compounded Annual Growth Rate (CAGR) over last 3 years**
Bus Bars for Electrical Panels and Power Transmission	82%
Transmission Line Hardware for Power Transmission	59%
Profiles for Solar Panels	133%
Heat Sinks for Electronic Appliances	43%
Profiles for Air-conditioning Systems	17%
Forging Stock for Engineering and Auto Components Manufacturing	17%
Profiles for Auto Components Manufacturing	103%
Profiles for Defence Applications	71%
Profiles for Industrial Machinery	18%
Profiles for Engineering Applications	178%
Ferrules for Ship Anchoring, Cranes, Wire Ropes Crimping etc.	24%
Architectural applications, Profiles for Structural Glazing and Curtain Walling	65%
Average CAGR of supplies to 'Key Customers'	59%

The Company has a very big base of end-use customers, who are themselves growing at very fast pace, and thus has big opportunities for growth.

New market segments with Big Press

The Company presently has two Press Lines of 1250MT & 1620MT capacities respectively. These presses have containers of diameter 6” and 7” respectively, which restricts the company’s capacity to produce profiles within the maximum Circumscribing Circle Diameter of 200mm. The limitation of Press capacities also limits the company’s capability in meeting requirement of large profiles which are presently manufactured in India by two companies only – Hindalco Industries Limited and Jindal Aluminium Ltd., who have large capacity extrusion presses.

Further, the smaller presses have limitation in producing profiles in Medium and High Strength Aluminium Alloys, as their capacity is restricted by the specific pressure which they could apply for manufacture of extrusions in such alloys on a consistent basis.

The proposed new press of 2700MT would have a 9” container and can produce extrusions, which need hydraulic force of up to 2700MT and profiles up to maximum Circumscribing Circle Diameter of 250mm. The addition of new press would significantly add to the company’s capability and open new market segments for producing following types of extrusions:

1) Big Architectural Profiles used for manufacture of Curtain Wall profiles, Profiles for Structural Glazing, Profiles for Expandable Grills, etc.

2) Big Transport Profiles required for manufacture of bus and truck body

3) Profiles required for manufacture of Pneumatic Actuators, Pneumatic Cylinders, Valve Bodies, Tubular Rollers for Conveyors, Machinery Parts, etc.

4) Various Defence profiles in Medium and High Strength Aluminium Alloys and profiles for Mat Ground Surface (MGS).

5) Rods and Bars in Medium & High Strength Aluminium Alloys for Engineering Applications such as Forging Stock for producing machined components of larger diameters, etc.

6) Wider Heat Sinks, Wider Flat Bus Bars and large diameters Tubular Bus Bars.

The addition of the big press will thus open up many new market segments for the company and will also augment the use of the three Press Lines optimally – *‘Right Press for the Right Profile’.*

Approach to Marketing and Marketing Set-up.

We have a strong and dedicated full-fledged Marketing Department headed by and under the control of Mr. J. K. Malpani, President. He is well supported by able support staff. Marketing Department’s major role is to build partners who can contribute to the surge of growth enabling Our Company to broaden our customer base. We have marketing offices in Kolkata, Delhi, Mumbai, Chennai, Bangalore, Hyderabad and Kanpur.

The marketing strategy of our Company is a mix of various tools depending on various products and the objective for the particular product / mix. We sell directly to the Customers and meet customer needs in a time bound manner using the existing sales force.
Our marketing strategy is based on the principle of

• Identifying existing and potential markets.
• Market segmentation.
• Focusing on value addition
• Minimizing risk through a detailed, multi functional customer appraisal system
• Regular technical and commercial training of the team

BUSINESS STRATEGY

Brief Statement about Business Strategy:

Our Company is in the manufacturing of aluminium extrusions for more than 15 years and has grown to the present level by developing quality of products, building trust in the customers. The Company wants to leverage this strength to its benefit in future so as to become an effective player in the aluminium extrusions industry. To provide best quality products and services to the customers is the main business strategy of our company.

Keeping in view the above, the business strategy of the Company is as under:

(i) Improving the cost competitiveness.
(ii) Widening the customer base.
(iii) Optimum utilization of the production capacity.
(iv) Maintain and further consolidate our company's position in key markets through capacity expansion.
(v) Continue focus on operational efficiency improvements.

(i) Brief Statement about Future Prospects:

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

The demand for aluminium extrusions has been good over last 4-5 years and continues to remain buoyant. With expected economic growth, very large additional primary metal capacities have been planned and are in the pipeline. This would lead to significant growth of the extrusions industry in India, which is a downstream industry for Aluminium.

The market for aluminium extrusions in India is growing at around 12-15% per annum, with some of the customer segments recording significantly higher growth rate. The extrusions industry in India produced approx. 225,000 MT of extruded products in the year 2006-07 (Refer table on next page). Assuming a future growth rate of 10% per annum, which indeed is a very realistic growth rate for the industry considering the sample average CAGR of some of Company's own customers over last 3 years as given elsewhere in this report, the market is expected to grow up to 362,000 MT by the year 2011-12.

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

(ii) Capacity & Capacity Utilization

(a) Capacity:

The present installed capacity, past three years capacity utilization and proposed capacity utilization (including existing and proposed) is given as under:

(Capacity in MTPA)

Existing Installed Capacity	**Actual**		
Particulars	**2004 – 05**	**2005 – 06**	**2006 – 07**
Installed Capacity	7500	7500	7500
Utilized Capacity	6582	6633	6410
Utilization as % of installed capacity	88%	88%	85%

Proposed Capacity (Existing + Proposed)	**Projections**			
Particulars	**2007 – 08**	**2008 – 09**	**2009 –10***	**2010 – 11 & Onwards**
Installed Capacity	7500	7500	15000	15000
Utilized Capacity	6600	6900	11200	14400
Utilization as % of installed capacity	88%	92%	75%	96%

Notes:

- The installed capacity will remain at the same level of 7500 MTPA for the financial year 2008-2009.
- The production under expansion plan will commence from June 2009.
- *The annualized capacity for 2009-10 will be 7500MT + 7500*10/12MT = 13750MT. The capacity utilization as percentage of the annualized capacity would be 81%.

(b) Capacity Utilization

The Company has proposed modernization and expansion plans to create additional facility and upgrading technology, thereby increasing the production capacity from 7500 MT per annum to 15,000 MT per annum. The expected increase in production upon commencement of expansion capacity and modernization of the existing capacity would help in reduction of the cost of production thereby making the product more competitive. Since the Company has already achieved a capacity utilization of around 85-88% and keeping in view business prospects as mentioned above, company is confident to achieve capacity utilization of nearly 92% for the year 2008-09, 75% of the expanded capacity in 2009-10 and 96% of the capacity in 2010-2011.

COMPETITIVE STRENGTHS

The company faces competition from large as well as small producers of the product. However, after completion of the proposed projects, the company will be in a position to consolidate its position in the market and also to improve upon its margins.

The following inherent strengths would help in increasing our competitive capacities:

a. We have a excellent market set up with offices in Kolkata, Mumbai, Delhi, Chennai, Bangalore, Hyderabad and Kanpur
b. We have supplied over 85% of our production in 2006-07 to over 400 end-use customers spread almost evenly all over India.
c. We are one of the very few manufacturers in the country who have successfully developed and is continuously supplying extrusion profiles in Soft, Medium and High Strength Alloys
d. We have successfully developed some very difficult Special Alloys in last 4 years, such as:
   Alloys 2618, 3003, 4643, 7075 and DTD 5124
   Knitting Pin stock in alloy 63400 in 200kg Coil,
   Aluminium alloy with 6% Magnesium.
e. We have put up quite a few value added facilities to cater to the exact needs of many of our customers and are therefore a preferred supplier to those customers. The facilities put up by us include:
   - Facility for Drawing Wire and Rod for supply in coil form, e.g. Armour Rods
   - Facility for Drawn Rods in cut to length for use on Automats to enhance plant productivity
   - Facility for Reeling i.e. straightening in case of Rods after Cold Drawing
   - Facility for supply of Drawn Hexagonal Bars in cut to length for use on automats to enhance plant productivity
   - Facility for straightening Hexagonal Bars after cold drawing
   - Cutting facility for supply of motor housings in ready to use lengths

Experience:

The Promoters have been in this field for over three decades and have developed substantial experience and expertise in the field.

Established Customer Base:

Over the years, the Company has been able to develop a satisfied and dedicated customer base that can be leveraged for the expanded operations of the Company.

Established Marketing & Distributing Network:

The Company has developed a well-established marketing and distribution network.

Quality Produce:

Quality has always been the main focus of the Company. The fact that a substantial portion of its revenues comes from end users bears testimony to the level of quality of the products.

Human Resources:

The Company's manufacturing facility is located in an industrial growth center at Kharagpur and further Kharagpur is developed as a significant industrial hub in West Bengal. As such both skilled and unskilled manpower is available locally.

Property

The following are the properties owned or taken on long-term lease basis by our Company:

Owned Property

Schedule of the Property & Use	Area	Consideration (Lease Premium)	Nature of Interest	Date of Purchase and document No.	Other Party
13/1, M S Cross Road, Corporation Divison No.53, Bangalore 560004 Bangalore Branch Office	502 Sq Ft. (with proportionate share of land measuring 100.5 Sq ft.)	Rs.2,38,600/-	Ownership	Sale Deed dt. 17/07/1995	K R Kodanda Rama Reddy & Others
No.125, Al Karim Trade Centre, MCH No. 5-4-86 to 92, Ranigunj, M G Road, Secunderabad Hyderabad Branch Office	355 Sq Ft.	Rs. 85,000/-	Ownership	Sale Deed dt. 04/01/1995	Ms Ashraf Banu & Mrs. Aliya Sultana

Leasehold Property:

Schedule of the Property & Use	Area	Consideration (Lease Premium)	Nature of Interest	Document No.	Other Party
Mouza- Sadatpur, J.L. No. 89, P.S.- Kharagpur, District –Midnapore, within Nimpura Industrial Estate --- Company's factory is located on this land	4.2371 acres	Rs. 2,77,936/-	Leasehold	2062	West Bengal Industrial Infrastructure Development Corporation
Mouza- Sadatpur, J.L. No. 89, P.S.- Kharagpur, District –Midnapore, within Nimpura Industrial Estate --- Company's factory is located on this land	3.0800 acres	Rs. 2,02,048/-	Leasehold	2064	West Bengal Industrial Infrastructure Development Corporation

Property Mortgaged:

Date	Bank	Description of Property	Amount (Rs.)	Nature of Mortgage
28.09.2004	Govt. of West Bengal, Industrial Reconstruction Deptt.	Company's factory land measuring 7.3171 Acres at - Mouza- Sadatpur, J.L. No. 89, P.S.- Kharagpur, District –Midnapore, within Nimpura Industrial Estate	500 Lacs	Equitable, Pari-Passu with SBI and Allahabad Bank
29.12.2004	State Bank of India, Industrial Finance Branch pari-passu with Allahabad Bank, Wellesley Street Branch;	- do -	642 Lacs	Equitable, Pari-Passu with Govt of West Bengal

PURCHASE OF PROPERTY

Except as stated in this Letter of Offer and save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the objects of the issue (if any), there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of this Letter of Offer, other than property in respect of which Contracts for the purchase or acquisitions were entered into in the ordinary course of business and the contracts were not entered into in contemplation of the issue nor is the issue contemplated in consequence of the contracts or the amount of purchase money is not material.

Particulars of Transactions in the Last Two Years where Vendor was Promoter / Director

The Company has not purchased any property in which any of its promoters and/or directors have direct or indirect interest in any payment made thereof. The Company has no plans, at present, to acquire any running business out of the proceeds of this issue. Save in respect of the property purchased or acquired or to be purchased or acquired in connection with the business or activities contemplated by the objects of the issue (if any), there is no property which the Company has purchased or acquired or proposes to purchase or acquire which is to be paid for wholly or partly out of the proceeds of the present issue or the purchase or acquisition of which has not been completed on the date of this Letter of Offer, other than property in respect of which

- Contracts for the purchase or acquisitions were entered into in the ordinary course of business and the contracts were not entered into in contemplation of the issue nor is the issue contemplated in consequence of the contracts, or
- The amount of purchase money is not material.

INSURANCE COVER TAKEN BY THE COMPANY

Our Company keeps all critical immovable and movable properties duly insured.
The details of policies are as under:

1. Standard Fire & Special Peril Policy for factory Premises
2. Marine Insurance Policy for transit of cargo
3. Group Gratuity Scheme for Pension and Gratuity of Workmen
4. Motor Vehicle Insurance Policy
5. Building and Stock Policy

Sl. No	Name of the Insurance Co	Policy Type	Policy No	Period	Sum Insured Rs.	Description of property covered	Premium Rs.
1	ICICI Lombard General Insurance Co. Ltd. Apeejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata - 700 016 Tele No. 3982 0000, Fax : 3982 0202	Marine Cargo Inland Transit Cover Type A (Rail, Road, Air) Open Declaration Policy **Outgoing Materials**	2001 / 0007283 /01	01.09.07 to 31.08.08	2000 lacs	Aluminium Extruded Finished Products of all description (Anywhere in India to anywhere in India)	134,833/-
2	ICICI Lombard General Insurance Co. Ltd. Apeejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata - 700 016 Tel : 3982 0000, Fax : 3982 0202	Marine Cargo Inland Transit Cover Type A (Rail, Road, Air) Open Declaration Policy **Incoming Materials**	2001 / 0007284 /01	01.09.07 to 31.08.08	500 lacs	Aluminium Ingot, Aluminium Wire Rod, Aluminium Billets, Aluminium Scraps, Aluminium Alloys, Flux Feeder machine, Spares for furnace, Spares for Extrusions Machinery, DIP Tubes & Floats, Foundry Chemicals & Graphite Plates Mechanical and Electrical/ Electronics, Hydraulic Components & Spares	16,855/-
3	ICICI Lombard General insurance Co. Ltd. Apeejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata - 700 016 Tel : 3982 0000, Fax : 3982 0202	Standard Fire & Special Perrils Policy Declaration Policy	1001 / 53018240 / 00 / 000	22.11.07 to 21.11.08	250 lacs	Raw Material and Finished goods	25,281/-
4	ICICI Lombard General Insurance Co. Ltd. Appejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata - 700 016 Tel : 3982 0000, Fax : 3982 0202	Standard Fire & Special Perrils Policy	1001 / 53005989 / 00 / 000	29.11.07 to 28.11.08	250 lacs	Stock in Process	25,281/-
5	ICICI Lombard General insurance Co. Ltd. Appejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata - 700 016 Tel : 3982 0000, Fax : 3982 0202	Standard Fire & Special Perils Policy Add -Ons Earthquake (Fire and Shock)	1001 / 52409422 / 00 / 000	30.08.07 to 29.08.08	2386 lacs	Building, P/M, Electrical Inst, FFF Office Equipment, Workers Quarter	272,131/-

6	ICICI Lombard General insurance Co . Ltd. Appejay House, 7th Floor, Block - 'B' 15, Park Street Kolkata – 700 016 Tel : 3982 0000, Fax : 3982 0202	Standard Fire & Special Perils Policy	1001 / 524152 07 / 00 / 000	26.08.07 to 25.08.08	26.50 lacs	Furniture, Fixture and Fittings at HO	1,160/-
7	National Insurance Company Limited Kolkata Division - VIII 1, India Exchange Place Kolkata - 700 001 Tel : 2230 9420 / 2220 5895	Marine Transit Declaration	100800/ 21/06/ 4400000 059	31.12.07 to 30.12.08	60 lacs	Furnace Oil	4,045/-
8	National Insurance Company Limited Kolkata Division - VIII 1, India Exchange Place Kolkata - 700 001 Tel : 2230 9420 / 2220 5895	Burglary Policy of Stock in trade	100800/ 46/ 07/ 7500000 814	29.12.07 to 28.12.08	350 lacs	Stock in trade	4,916/-
9	ICICI Lombard General insurance Co. Ltd. J.K. Millennium Centre, 3rd Floor, Block - B 46D, Chowringhee Road Kolkata - 700 071 Tel : 2288 3172 / 73 / 74, Fax : 2288 3175	Burglary Policy Stock in Trade (Andul G0down)	4002/ 0025832	02.11.07 to 01.11.08	50 lacs	Stock in trade	4,494/-
10	ICICI Lombard General insurance Co. Ltd. J.K. Millennium Centre, 3rd Floor, Block - B 46D, Chowringhee Road Kolkata - 700 071	Standard Fire & Special Perrils Policy Stock in Trade (Andul Godown)	1001/ 5287233 7/00 / 000	02.11.07 to 01.11.08	50 lacs	Stock in trade	4,045/-

MOTOR VEHICLE INSURANCE

Sl. No	Name of the Insurance Co	Policy Type	Policy Number	Period	Sum insured (Rs.)	Description of property covered	Premium Amount (Rs)
1	ICICI Lombard General Insurance Co. Ltd.	Motor Vehicle Insurance	3001/5098873 5/00/000	05.01.2008 to 04.01.2009	8.72 lacs	Car No. WB02Y2101	23,316/-
2	Tata AIG General Insurance Co. Ltd.	Motor Vehicle Insurance	15026375600	27.09.2007 to 26.09.2008	4.88 lacs	Car No. WB02U6330	14,166/-
3	ICICI Lombard General Insurance Co. Ltd.	Motor Vehicle Insurance	3001/ 50628441/ 01 / 000	08.11.2007 to 07.11.2008	4.28 lacs	Car No. WB02T1033	16,732/-

4	Bajaj Allianz General Insurance Co. Ltd.	Motor Vehicle Insurance	OG-08-2401-1801-0001703	17.04.2007 to 16.04.2008	3.78 lacs	Car No. WB02X6470	12,185/-
5	Cholamandalam MS General insurance Co. Ltd.	Motor Vehicle Insurance	MPC-00069994-000-00	10.09.2007 to 09.09.2008	7.62 lacs	Car No. WB02Y4494	29,151/-

GRATUITY

Sl. No.	Name of the Insurance Co	Policy Type	Policy Number	Period	Sum insured (Rs.)	Premium Amount (Rs)
1.	Life Insurance Corporation of India	Full Gratuity Payment in the event of death of an employee	GG (CA) 207800	01.04.2007 to 31.04.2008	As per the Payment of Gratuity Act	70,023/-

Intellectual Property

The Company has, as on 21st January 2008, a trade mark “CEL” registered in India under class VI of the trademarks Act, 1999 or Trade and Merchandise Marks Act, 1958.

III. KEY INDUSTRY REGULATIONS

Depending upon the nature of the projects undertaken by our Company, applicable laws and regulations include the following:

- The Employees' State Insurance Act, 1948
- Payment of Bonus Act, 1965
- Payment of Wages Act, 1936
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- Contract Labour (Regulation and Abolition) Act, 1970
- Payment of Gratuity Act, 1972
- Factories Act, 1948
- The Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention and Control of Pollution) Act, 1974

The Employees' State Insurance Act, 1948

The ESI Act is a social welfare legislation and provides for certain insurance benefits to the insured employees working in the factories and other establishments in case of sickness, maternity needs, employment injury and to make provision for certain other matters in relation thereto. Payment of contributions both employees and employer are to be made in time every month. In case of failure to pay contribution / dues etc. within the stipulated period the employer is liable to penalties as per the provisions of the Act.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Bonus is to be paid within eight months from the expiry of the accounting year. Computation of bonus is to be worked out as per Schedule I to IV of the Act.

Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment for a term of up to six months or a fine of up to Rs. 1,000 or both, against persons in charge of, and responsible to the Company for the conduct of the business of the Company at the time of contravention.

Minimum Wages Act, 1948

The Enactment was made to ensure regular and prompt payment of wages and to prevent the exploitation of a wage earner by prohibiting arbitrary fines and deductions from his wages. State governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to Rs. 500 or both.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the "EPF Act") provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Contract Labour (Regulation and Abolition) Act, 1970

The Act applies to every establishment in which 20 or more workmen are employed or were employed on any day on the preceding 12 months as contract labour and to every contractor who employs or who employed on any day of the preceding 12 months 20 or more workmen. The establishments covered under the Act are required to be registered as the Principal Employer. Likewise, every contractor to whom the Act applies is required to obtain a licence and not to undertake or execute any work through contract labour except under and in accordance with the licence issued. The Act has provided for establishment of canteens. For the welfare and health of contract labour, provision is made for restrooms, first aid, wholesome drinking water, latrines and urinals. In case of failure on the part of the contractor to provide such facilities, the Principal Employer is made liable to provide the amenities.

The contractor is required to pay wages and a duty is cast on him to ensure disbursement of wages in the presence of the authorized representative of the Principal Employer. In case of failure on the part of the contractor to pay wages either in part or in full, the Principal Employer is liable to pay the same. In case the contract labour perform same or similar kind of work as regular workmen, they will be entitled to the same wages and service conditions as regular workmen as per the Contract Labour (Regulation and Abolition) Central Rules, 1971. In the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, as amended (the "Gratuity Act"), an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 350,000.

An employee in a factory is said to be 'in continuous service' for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

Factories Act, 1948

The industries in which ten (10) or more than ten workers are employed on any day of the preceeding twelve months and are engaged in manufacturing process being carried out with the aid of power or twenty or more than twenty workers are employed in manufacturing process being carried out without the aid of power, are covered under the provisions of this Act.

The enforcement of this legislation is being carried out on district basis by the district Inspectors of Factories with respect to Health, Safety, Welfare facilities, Working hours, Employment of young persons, Annual Leave with wages etc. After inspection, Improvement Notices are issued to the defaulting managements and ultimately legal action is taken against the defaulting managements. The Inspectors of Factories file Challans against the defaulters, in the Courts of Metropolitan Magistrates. The work of Inspectors of Factories is supervised by the Dy. Chief Inspector of Factories on district basis. This Act provides for a maximum punishment up to two years and or a fine up to Rs. one lakh or both.

The Air (Prevention and Control of Pollution) Act, 1981

The Air (Prevention & Control of Pollution) Act was enacted by the Parliament in 1981 with an objective to prevent, control & for abatement of air pollution. No person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollution in excess of the standards laid down by the State Board. State Board can also approach the court to stop any person from doing air pollution. DPCC office have powers to inspect any premises in performance of their duties, take samples, examine records, documents etc. or performing any other duty entrusted to him by the board. Every person operating any equipment is bound to provide all assistance to the person who is inspecting. Any person failing to comply with the provisions can be punished by way of imprisonment from 1-1/2 years to 6 years, with fine upto Rs.5000/- per day. If violation continues beyond one year imprisonment can be increased upto 7 years with fine. Whoever contravenes any of the provisions of this Act or any order or directions issued thereunder, for which no penalty has been elsewhere provided in this act, shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to ten thousand rupees or with both, and in case of continuing contravention with an additional fine which may extend to Rs.5000/- for every day during which such contravention continues after conviction for the first such contravention.

The Water (Prevention and Control of Pollution) Act, 1974.

The Water Act was enacted by Parliament Act, 1974 purpose to provide for the prevention of control of water pollution and the maintaining or restoring of wholesomeness of water. As per the enactment no person shall without the previous consent to establish shall Establish or take any step to establish any industry, operation or process or any treatment and disposal system for any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land or Bring into use any new or altered outlet for the discharge of sewage or Begin to make any new discharge of sewage. Under this section the state board may grant consent to the industry after satisfying itself on pollution control measures taken by the unit or refuse such consent for reasons to be recorded in writing. Whoever contravenes any of the provisions of this act or fails to comply with any order or direction given under this act for which no penalty has been elsewhere provided in this Act, shall be punishable with imprisonment which may extend to three months or with fine which may extend to ten thousand rupees or with both.

IV. HISTORY AND CORPORATE STRUCTURE OF THE COMPANY

1. History & Background of The Company:

Century Extrusions Limited is a widely held public limited company incorporated in the year 1988 under the Companies Act, 1956. The registered office of the Company is situated at 113, Park Street, 2nd Floor, 'N' Block, Kolkata-700 016. CEL was incorporated with the main object of setting up a manufacturing unit for manufacture of Aluminium Extrusions.

CEL has been promoted by Sri M P Jhunjhunwala and his brother Sri C L Jhunjhunwala. Sri M P Jhunjhunwala has been associated with the Aluminium Industry for over 35 years. Sri Vikram Jhunjhunwala, son of Sri M P Jhunjhunwala had joined the Company as a promoter director on 21st March, 1996, and on that date, Sri C L Jhunjhunwala retired from his position of a Director as well as promoter of the Company.

The aluminium extrusions manufacturing facility of the Company is located at Kharagpur in the State of West Bengal. CEL had put up two Extrusion Presses (900MT and 1620MT oil hydraulic extrusion presses) with an installed capacity to produce 5400 MT of Extrusions per annum at a capital outlay of Rs.11.20 Crores. The plant located at Kharagpur in West Bengal had commenced operations in April 1991. The Company Expanded its capacity in 1997 from 5400 MT per annum to 9000MT per annum by installing a third Extrusion Press (1250 MT hydraulic extrusion press), at a capital outlay of Rs.7.70 Crores.

The Company's expansion in capacity coincided with general recession in the Indian economy. The aluminium extrusions industry depends heavily on the Building and Architectural sector, which constitutes over 50% of its market segment. The recession was particularly severe in Building and Architectural sector as prices fell by almost 50% during 1997-2000, in major cities of India. There was severe competition and the price realizations suffered heavily. As a result, CEL suffered heavy cash losses, and its entire net-worth stood eroded as on 31-03-2001. At the end of the financial year 2000-01 (i.e. on 31st march, 2001), the Company's net worth of Rs.1341.96 lacs consisting of paid-up share capital of Rs.1200 lacs and reserves of Rs.141.96 lacs was fully eroded by its accumulated losses of Rs.1484.58 lacs making CEL a "Sick Industrial Company" within the meaning of section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). Based on its audited Balance Sheet as on 31st March, 2001, CEL filed a reference with the BIFR u/s 15(1) of SICA on 14th August, 2001 .

In the preceding 3 years of operations before filing reference under SICA, CEL could achieve production level of 59.82%, 28.39% and 31.10% of the installed capacity during the financial years 1998-1999, 1999-2000 & 2000-2001 respectively.

Due to heavy cash losses, CEL failed to service both its Term Borrowings and Working Capital facilities availed from its Bankers namely State Bank of India (the Lead Bank) and Allahabad Bank. At the hearing held on 30.12.2002, the BIFR being satisfied that the Company had become sick as on 31.03.2001, declared it to be a "Sick Industrial Company." In pursuance of the direction of the BIFR issued at the hearing held on 30-12-2002, CEL had finalised a detailed rehabilitation scheme u/s 17(2) of the Act, which was duly approved by the BIFR vide its Order dated 27th August 2003. Salient features of the rehabilitation scheme were as follows:

a) The Company had entered into a One Time Settlement of its dues to its Banks viz. State Bank of India and Allahabad Bank. As per terms of approval, the Company had settled the outstanding of Banks as on 31.12.2002 in the following manner:

(Rs. in Lacs)

	SBI	**Allahabad Bank**	**Total**
Outstanding	1376	1135	2511
OTS Amount	813	671	1484
Right of recompense	243	169	412

The amount of right of recompense represented the amount of interest sacrificed by the banks for the period 01.04.1998 to 31.03.2000.

b) Fresh Facility of Letter of Credit- Rs.600 Lacs

The banks had provided a fresh L/C facility of Rs. 600 Lacs to part finance the working capital requirement of the company, subsequent to OTS.

c) Due to heavy losses incurred by the Company, the Equity Capital of the Company was lost and was not represented by the available assets. In order to give a true and fair picture of its state of affairs, the Company proposed a rehabilitation strategy of capital reduction as envisaged under section 100 of the Companies Act, 1956.

As per the approved rehabilitation scheme, the Company had

- written off the then entire Reserve and Surplus amounting to Rs.181.96 lacs against the accumulated losses.
- Written off 90% of the then paid up Equity Capital of Rs.1200.00 lacs of the Company, amounting to Rs.1080.00 lacs against the accumulated losses by converting the Equity Shares of Face Value Rs.10/- each fully paid up into Equity Shares of Face Value of Re.1/- per share fully paid up.

In the Rehabilitation Scheme, it was envisaged that the reduction of Equity Capital will help CEL in the following ways:

♦ Part of Accumulated Losses will be reduced against the value of the Shares Capital, making it possible to wipe out the remainder balance of losses at an earlier date falling well within the period of seven years.
♦ Further funds brought in as Equity Capital, will result in lower interest burden.
♦ CEL's capacity to service the Equity Capital will be enhanced.
♦ The Capital base of the Company will be represented by true and fair value of the asset base of the Company.

The BIFR approved Rehabilitation was successfully implemented and the Company's networth turned positive as on 31.03.2006 and accordingly the company was discharged from the purview of Board for Industrial and Financial Reconstruction vide its Order No. 17(2)/60/R-III/BIFR/Mon-3/2003 dated 18.07.2006.

The present business of the company is manufacturing of the aluminium extruded products at its factory located at Kharagpur. The Company is one of the big secondary aluminium extrusion manufacturers in the country. It enjoys the reputation of being the quality producer in the industry.

Major Events in the History of the Company

YEAR	MAJOR EVENTS
1988	▪ Incorporated on 2nd February 1988 as a Public Limited Company with the main object of setting up a manufacturing unit for manufacture of Aluminium Extrusions.
1990	▪ Initial Public issue of 38,27,000 Equity shares of Rs. 10/- each for cash at par in March 1990. ▪ Listing of shares at CSE, BSE, DSE and ASE
1991	▪ Commencement of commercial production from the company's factory located at Nimpura, Kharagpur in the state of West Bengal.
1992	▪ Issue of 21,86,706 Equity Shares on Rights Basis
1995	▪ Pursuant to a one time settlement with IDBI & ICICI the company issued 5,32,025 Equity Shares @ 10/- each to them. ▪ Pursuant to a one time settlement with IFCI the company issued 1,99,121 Equity Shares @ 10/- each to IFCI. ▪ Listing of Equity Shares at NSE
2001	▪ The company has been awarded ISO 9001:2000 certification by DNV for its Quality Management Systems for manufacture of Aluminium Extruded Products. ▪ Due to the erosion of entire net worth, application filled with BIFR on 14th August 2001 for registration as a sick company.
2002	▪ Company was declared as Sick Unit on 30.12.2002 by BIFR on 31st December 2002 u/s 15(1)(Proviso) of the Sick Industrial Companies Act, 1985.
2003	▪ The Company had finalized a detailed rehabilitation scheme u/s 17(2) of the SICA Act which was approved by the BIFR. ▪ The company had done one time settlement of its entire outstanding of term Loan and Working Capital dues to State Bank Of India and Allahabad Bank. ▪ The equity shares of the Company of face value Rs.10/- each were reduced to equity shares of face value of Re.1/- each on 30.10.2003 pursuant to the Order of the BIFR dated 27.08.2003.
2005	▪ Issue of Equity Shares on Rights Basis in the ratio of 35:12.
2006	▪ The Company was discharged from the purview of BIFR .
2007	▪ The company crossed the 10,000 Lacs turnover mark.

CHANGES IN THE MEMORANDUM OF ASSOCIATION:

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company

a) Change in Object Clause

Sr. No.	Particulars	Date of Meeting	Nature of Meeting
1.	**Change in object clause**: A new clause 3,4,5 was inserted. A new clause 6,7,8,9 was inserted	 29.6.95 06.08.07	 AGM Postal Ballot
2.	**Change in other object clause:** Clause 3,23,24 was brought under main object Clause 15,18,19, was brought under main object	 27.2.95 29.6.95	 EGM AGM

b) Change of Authorized Capital

Century Extrusions Limited was registered with authorized capital of Rs.500 lacs. The present authorized capital of our Company is Rs.1200 lacs comprising of Equity Shares. The details of changes in authorized capital since inception are as under:

Sr. No.	Particulars	Date of Meeting	Nature of Meeting
1.	Rs 500 Lacs	N.A.	Incorporation
2.	From 500 Lacs to 650 Lacs	13.2.92	EGM
3.	From 650 Lacs to 800 Lacs	30.9.93	AGM
4.	From 800 Lacs to 1200 Lcs	27.2.95	EGM

2. Main Objects of the Company:

The Object Clause of the Memorandum of Association (MOA) of the Company enables it to undertake the activities for which the funds are being raised in the present Rights Issue. Furthermore, the activities of the Company has been carrying out until now are in accordance with the objects of the MOA. The main objects of the Company inter-alia are:

The main objects of the Company as set out in the Memorandum of Association are reproduced below:

1. To carry on all or any of the business of manufacturers, drawers, rollers, repairers, convertors, makers, contractors, exporters, importers, agents, stockists, brokers, traders and dealers of and in Aluminium Extrusions such as rods, squares, flats, hexagon, tubes, rounds, squares, rectangular, architectural and transport sections, and various other profiles and designs required in or used for engineering, industrial, agricultural, transport, commercial, domestic, building, power transmission, and/ or construction purpose and all the goods, articles, things, machines, mechanical tools, equipments, appliances and accessories and all raw materials, machinery and stores required in connection therewith, and to acquire and sell technical, managerial and financial know-how thereof.

2. To carry on business as producers, importers, processors, manufacturers, contractors, distributors, dealers, stockists, agents and brokers of alumina, aluminum alloys, aluminum drawn tubes of various shapes and designs and all other items like ingots, rods, wires, pipes, sheets, tubes, springs, metals, plates, billets, circles, cables, coils, conductors etc of all the sizes, forms and designs and all types of powder, paints, wares, utensils, foils, furnitures, rails, grills, doors, widows, ladders made of aluminum, brass, copper and other ferrous or non-ferrous metals including alloys thereof and also including accessories made of plastic or steel or any other material.

3. (a) To carry on the business of manufactures, sellers, importers, exporters, suppliers, lessors or lessees and dealers of all kinds of power generation equipments, including wind mills and turbines, hydro-turbines, thermal- turbines, solar modules, panels.

   (b) To generate, accumulate, distribute, supply electricity and other power (subject to and in accordance with law) for the purpose of light, heat, motive power and for all other purposes for which electric and other energy can be employed.

4. To carry on the business of builders contractors, dealers in and manufacturers of prefabricated and precast houses, buildings and erections and materials, tools, implements, machinery and metalware in connection therewith or incidental thereto and to carry on any other business that is customarily, usually and conveniently carried on therewith.

5. To carry on the business of Leasing, Hire Purchase and letting on hire, or entering into any financial arrangement in acquiring by import or otherwise and providing on lease, hire or rent in India and abroad, all types of plant, machinery, equipment, tools, dies, moulds, appliances, implements, instruments or apparatus, installations and fittings for domestic, industrial, commercial, trading, office or agricultural use; vehicles including motor cars, buses, lorries, trucks, tempos, rickshaws, coaches, motor-cycles, scooters and motor vehicles of all kinds whatsoever and accessories of all the vehicles; land, building, offices, showrooms, shops, factories, go-downs or any immovable property or real estate; furniture, fixtures and utensils; air conditioners, refrigerators, televisions, stereo, tape recorders and all other electrical and electronic equipments; and all other things of whatsoever nature or description; manufacture, maintenance and working thereof.

6. To carry on business as manufacturers, importers, exporters, processors, contractors, distributors, dealers, stockists, agents and brokers of Pile Weather Stripping Products and Weather Seal Products of different shapes and designs, and of all sizes, forms and types including accessories made of any material related to Pile Weather Stripping and Weather Seal Products.

7. To carry on business as manufacturers, importers, exporters, processors, contractors, distributors, dealers, stockists, agents and brokers of all kinds of Conductors and Hardware for power transmission and telecommunication and also to carry on business of designing, fabrication and erection of Towers for power transmission and telecommunication including all accessories related to power transmission and telecommunication made of any material including aluminium, steel, rubber, plastic, porcelain, etc.

8. To carryon business as manufacturers, importers, exporters, processors, contractors, distributors, dealers, stockists, agents and brokers of non-ferrous Welding Filler Rods and Wires for all kinds of Welding.

9. To carry on business as manufacturers, importers, exporters, processors, contractors, distributors, dealers, stockists, agents and brokers of all kinds of cast and forged products for the power transmission lines, telecommunication, automobiles, general engineering industry, etc. in various ferrous and non-ferrous metals and alloys.

3. Subsidiary of the Company, if any and their business

The Company does not have any subsidiary as on the date of the filing this Letter of Offer.

4. Shareholders Agreements:

The Company does not have any Shareholders Agreement as on the date of filing of this Letter of Offer.

5. Other Agreements:

The Company does not have any other Agreement as on the date of filing of this Letter of Offer other than those entered into in the ordinary course of business.

6. Strategic Partner & Financial Partner:

The Company does not have any strategic or financial partners as on the date of filing of this Letter of Offer.

V. MANAGEMENT OF THE COMPANY

1. Board of Directors

The details of the Directors of the Company are given below:

Name Address, Occupation & Qualification, DIN	Designation	Age	Experience (Years)	Directorship in other companies
Mr. M. P. Jhunjhunwala, S/o Lt. Sri Hari Ram Jhunjhunwala 9, Pretoria Street, Kolkata-700 071 Business Bachelor of Arts (B.A.) DIN - 00169908	Chairman & Managing Director	68 years	47	• Century Aluminium Mfg. Co. Ltd. • CAMCO Multi Metal Ltd. (Formerly, Century NF Castings Ltd.)
Mr. Vikram Jhunjhunwala S/o. Sri M. P. Jhunjhunwala 9, Pretoria Street, Kolkata-700 071 Business Bachelor of Commerce DIN - 00169833	Non-Executive Director & Promoter	42 years	17	• Century Aluminium Mfg. Co. Ltd. • CAMCO Multi Metal Ltd. (Formerly,Century NF Castings Ltd. • Vintage Capital Markets Ltd.
Mr. M G Todi S/o Lt. Shri Babu Lal Todi Koanark Gardens, 6, Burdwan Road, 4th Floor, Alipore, Kolkata-700 027 Business M. Com, LLB, F.C.A. DIN- 00112568	Independent Director	67 years	42	• Coastal Roadways Ltd • Coastal Industrial Finance Ltd • Todi Sons Ltd • CRL Logistic Ltd • Todi Services Ltd • Khaitan Electricals Ltd • Todi Projects (P) Ltd • Coastal Properties (P) Ltd • Coastal Agro – Tech (India) (P) Ltd • Shri Salasar Finance (P) Ltd • Alfa Aluminium (P) Ltd • Volex Estates (P) Ltd • Towerbase Services (P) Ltd • Snuk Housing & Holdings (P) Ltd
Mr. V K Mushran * S/o. Lt. Sukhdeo Prasad Mushran K-1022, Ashiyana Kanpur Road Lucknow – 226012 M.Sc. DIN - 00300751	Independent Director	70 years	45	None
Mr. R. N. Das, S/o. Lt. D. C. Das 12/A, Forest Park Bubhaneshwar, Orissa M.A. DIN - 00300688	Independent Director	71 years	46	None

* Mr. P. K. Sengupta B. Sc., B. Sc(Engg), MBA aged 82 years is appointed as alternate director to Sri Vijay Kumar Mushran on 21st January, 2008 who is an independent director.

Mr. M. P. Jhunjhunwala

Mr. M P Jhunjhunwala, aged 68 years is an arts graduate and has been associated with the Aluminum Industry for over 40 years. He formed CEL in the year 1988. Since then he is successfully running and managing the company. Presently he is the Chairman & Managing Director of the company.

Mr. Vikram Jhunjhunwala

Mr. Vikram Jhunjhunwala, aged 42 years, commerce graduate having overall experience of over 17 years in the aluminium industry. He is the son of Mr. M. P. Jhunjhunwala, founder of Century Extrusions Limited. He in non-executive Director of our Company.

He is Executive Director of Century Aluminium Mfg. Co. Ltd., one of our group companies.

Mr. M G Todi

Mr. M G Todi, aged 67 years, is the founder and the Chairman of Coastal Roadways Ltd. Mr. Todi has taken his Masters Degree in Commerce has done LLB and is also a Fellow member of the Institute of Chartered Accountants of India

Mr. V K Mushran

Mr. V. K. Mushran, aged 70 years, 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.

Mr. R. N. Das

Mr. R. N. Das, aged 71 years, has taken his Masters Degree in Political Science and has held various positions in Orisaa Government. At the time of his retirement from Orissa Government Service, he was serving as the Chief Secretary to the Government of Orissa.

Details of the Borrowing Powers:

The Board of Directors of the Company has power to borrow up to Rs. 1,00,00,00,000/- (Rupees One Hundred Crores only) as per the Resolution passed u/s 293(1)(d) in the EGM of the Company held on 21st January, 2008.

The following resolution was passed as ordinary resolution :

"RESOLVED that in supersession of the Resolution passed at the Extraordinary General Meeting of the Company held on the 27.02.1995 and pursuant to sub-section (1) (d) of Section 293 and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby granted to the Board of Directors for borrowing from time to time all such sum of money as they deem requisite notwithstanding that moneys to be borrowed, together with moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not exceed Rs. 100 crores (Rupees One hundred crores only)".

2. Compensation To Managing Director

Compensation and benefits in kind granted to the Directors:

The principal terms and conditions set out in the supplement agreement with Mr. M P Jhunjhunwala, Chairman and Managing Director of the Company are contained in a Special Resolutions passed at the AGM of the Company dated 27th July 2007.

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

SALARY & PERQUISITES:

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

PART – A

Perquisites:

I. Housing:

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

(b) The Company shall bear the cost of gas, electricity, water and furnishings in respect of the accommodation of Shri Jhunjhunwala.

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

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

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

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

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

PART – B

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

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

These facilities will not be considered as perquisites.

PART – C

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

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

These facilities will not be considered as perquisites.

OTHER BENEFITS

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

SITTING FEES

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

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

Shri M P Jhunjhunwala and his son Shri Vikram Jhunjhunwala may be considered to be concerned or interested in the above resolution. None of the other directors is concerned or interested in the resolution. The Board recommends the resolution set forth in item 5 for the approval of the members.

3. Corporate Governance

Our Company firmly believes in good Corporate Governance for effective management and control of business over a sustained period of time. The above philosophies along with Code of Conduct, sustenance of high ethical standards, govern the Company and its employees in all corporate activities.

The composition of Board of Directors, Audit Committee, Investor Grievance Committee, Remuneration Committee and Compensation Committee are in compliance with the requirement of Clause 49 of the listing agreement and Circular No. SEBI/ CFD/DIL/CG/1/2004/12/10 dated October 29, 2004.

Committees of the Board

Our Company has the following committees formed out of the members of the Board.

i) Audit Committee
ii) Compensation Committee
iii) Share Transfer and Shareholders' / Investors' Grievances Committee :

(i) Audit Committee:

The Company had re-constituted the Audit Committee on July 21st, 2006. The committee presently comprises of 4 Directors and the Chairman is an independent non-executive director:

Name of the Members	**Designation**	**Nature of Directorship**
Mr. M G Todi	Chairman	Non – Executive Independent director
Mr. R N Das	Member	Non – Executive Independent director
Mr. V K Mushran	Member	Non – Executive Independent director
Mr. V Jhunjhunwala	Member	Non – Executive Director and Promoter

The Terms of reference of the Audit Committee are given below:

(a) To review annual and quarterly financial statements and pre-publication announcements before submission to the Board.

(b) Overseeing of the company's reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient & credible.

(c) Reviewing the adequacy of internal audit function, internal control systems and action taken on internal audit reports.

(d) To apprise the Board on the impact of accounting policies, accounting standards legislation.

(e) To hold periodical discussions with statutory auditors on the scope and content of the audit.

(f) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(ii) Compensation Committee

The Company had re-constituted the Remuneration Committee on 21st July 2006. Further, the name of Remuneration committee was changed to Compensation committee. The committee presently comprises of 4 Directors and the Chairman is an independent non-executive director:

Name of the Members	**Designation**	**Nature of Directorship**
Mr. M G Todi	Chairman	Non – Executive Independent director
Mr. R N Das	Member	Non – Executive Independent director
Mr. V K Mushran	Member	Non – Executive Independent director
Mr. V Jhunjhunwala	Member	Non – Executive Director and Promoter

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

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

(iii) Share Transfer and Shareholders' / Investors' Grievances Committee :

The Company had re-constituted the Share Transfer and Shareholders' / Investors' Grievances Committee on 21st July 2006. The committee presently comprises of 5 Directors and the Chairman is an independent non-executive director:

Name of the Members	**Designation**	**Nature of Directorship**
Mr. M G Todi	Chairman	Non – Executive Independent director
Mr. R N Das	Member	Non – Executive Independent director
Mr. V K Mushran	Member	Non – Executive Independent director
Mr. V Jhunjhunwala	Member	Non – Executive Director and Promoter
Mr. M P Jhunjhunwala	Member	Non – Executive Director and Promoter

M/s. MCS Limited is the Registrar and Share Transfer Agent.

The terms of reference of the Shareholders/Investors Grievance Committee are as follows:

a) To approve the transfer of shares.

b) To look after the matter relating to non-receipts of the refund orders, right entitlement, annual reports and other entitlements.

c) To look after the matters relating to dematerialization and re-materialization of shares

Policy on Disclosures & Internal procedure for prevention of Insider Trading

The provisions of Regulation 12 (1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 is applicable to our Company. We are complying with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed rights issue.

Brief Details of the Policy for Prevention of Insider Trading

Our Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. Our Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations. Every Director, Officer, Designated Employee and Connected person of Our Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at Our Company. No Director, Officer, Designated Employee may use his or her position or knowledge of Our Company to gain personal benefit or to provide benefit to any third party. Such persons are prohibited from communicating / or counseling others with respect to the securities of Our Company. Such persons should also refrain from profiteering by misusing the unpublished price sensitive information and thereby enabling Our Company to retain investor confidence. The policy includes the following:

Preservation of 'Price Sensitive Information': Employees/directors shall maintain the confidentiality of all Price Sensitive Information. Employees/ Directors shall not pass on such information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

Need to know: Unpublished Price Sensitive Information will be handled on a 'need to know' basis i.e., Unpublished Price Sensitive Information shall be disclosed only to those within Our Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.

All non-public information directly received by any employee shall be immediately reported to the head of department.

Limited access to the confidential information: Files containing confidential information will be kept secure. Computer files will have adequate security of login and password etc.

Prevention of misuse of 'Price Sensitive Information': All directors/officers and designated employees of Our Company will be subject to trading restrictions as enumerated below:

Trading window: The trading period is to be called 'Trading Window'. All directors/ officers/ designated employees of Our Company shall conduct all their dealing in the securities of the company only in a valid trading window and shall not deal in any transaction involving the purchase or sale of the company's securities during the periods when trading window is closed or during any other period as may be specified by the Company from time to time.

Pre-clearance of trades: All directors/officers/designated employees of the company who intend to deal in the securities of the company (above a minimum threshold limit) should preclear the transactions as per the pre-dealing procedure as described hereunder.

Penalty for contravention of code of conduct: Any employee/officer/director who trades in securities or communicates any information for trading in securities, in contravention of the code of conduct, may be penalized and the company may take appropriate action.

Employees/officers /directors of the Company who violate the code of conduct shall be subject to disciplinary action by the company, which may include wage freeze, suspension, ineligibility for future Employee stock option plans, etc.

Code of Conduct for Directors & Senior Management Personnel
Our Company has adopted a Code of Ethics and Business Conduct applicable to all our directors, officers and employees, a copy of which is available on our company's website *www.centuryextrusions.com.* The Managing Director hereby affirms compliance of the same.

4. Shareholding of Directors

The details of shareholding of Directors of the Company are as under:

Sr. No.	Name of the Director	No. of shares held	% of total holding
1	Sri M. P. Jhunjhunwala	4556934	9.70
2	Sri Vikram Jhunjhunwala	48708	0.10
3	Sri R. N. Das	Nil	Nil
4	Sri Madan Gopal Todi	Nil	Nil
5	Sri Vijay Kumar Mushran	Nil	Nil

Qualification shares required to be held by the Directors

As per the Clause 101 of the Articles of Association of the Company, no qualification share is required for being appointed as or holding the office as a Director of the Company.

5. Interest of Directors:

Loans and Advances as on 31.12.2007 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 104.84 lacs (previous year Rs.180.69 lacs).lacs due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.

Sundry Debtors as on 31.12.2007 include:

a. Nil (previous year Rs.4.06 lacs) due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.
b. Rs.14.81 lacs (previous year Nil) due from a private company in which one Director of the Company is interested as a director.

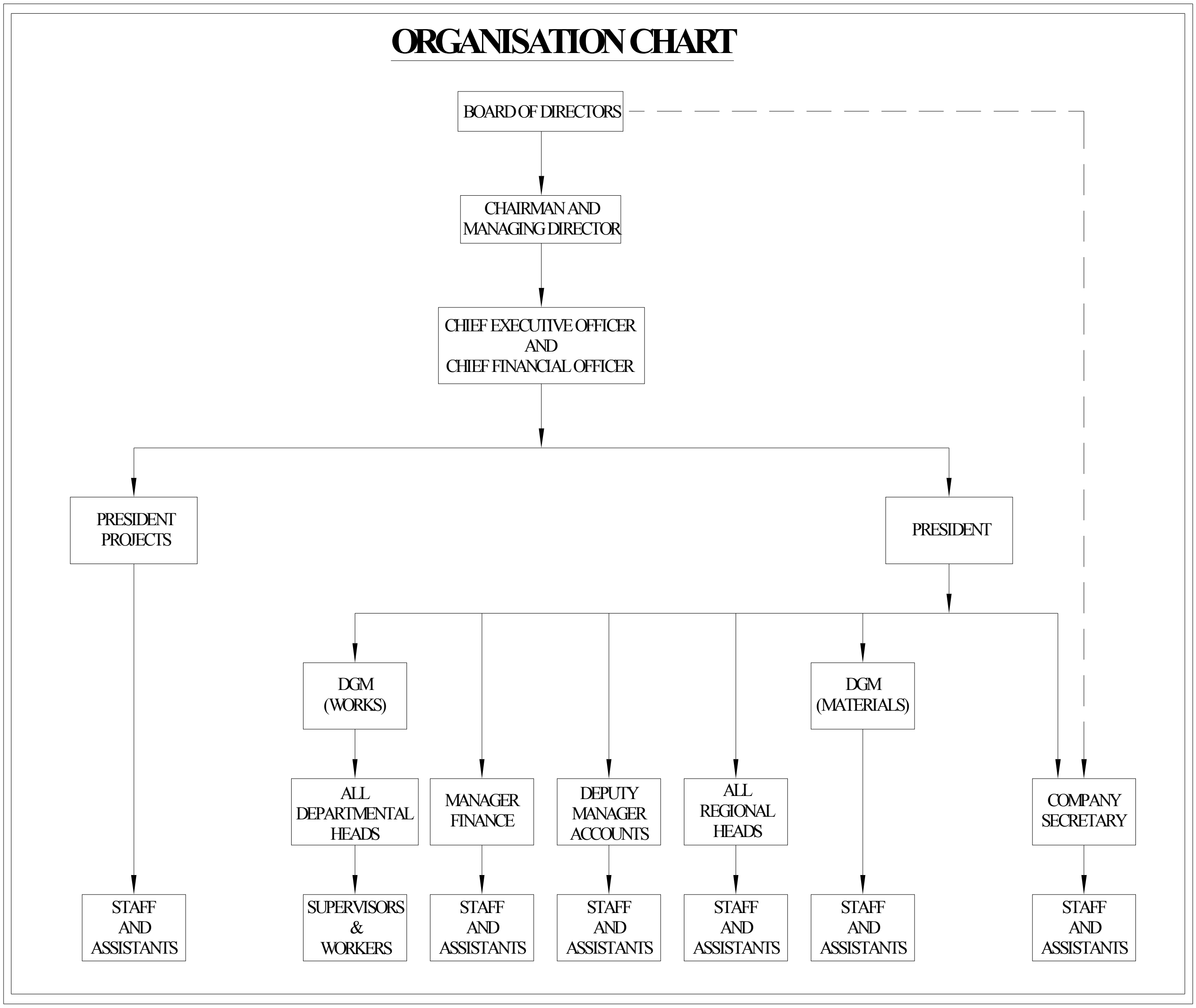
Except as stated in "Related Party Transactions" on page [*] of this Letter of Offer and to the extent of remuneration (received by them in their respective capacities) and reimbursement of expenses and to the extent any equity shares of the Company held by them, there are no interests of Promoters /Directors or payment or benefit to Promoters/ Directors except as mentioned on page [*] under the heading "Compensation to Managing Director and other Whole Time Directors" in the Letter of Offer.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by the Company with any company in which they hold directorship as declared in their respective declarations.

6. Changes in the Directors during the last three years:

Sr. No.	Name of the Directors	Date of Change	Reason for change
1	P.K.Sengupta	21.07.2006	Retirement
2	M.G.Todi	21.07.2006	Appointment
3	V. K. Mushran	21.07.2006	Appointment
4	R.K.Dutta	25.11.2005	Deceased
5	G.S.Agarwal	25.07.2005	Resigned

7. MANAGEMENT ORGANISATION STRUCTURE



8. **Key Managerial Personnel:**

The key managerial personnel of our company heading various functions are as under;

Name	Designation	Date of Joining	Qualification	Last Employment	Experience in years	No. of Shares held
M.P. Jhunjhunwala	Chairman and Managing Director	01/02/1988	Arts Graduate	-	37	4556934
Kailash Baheti	Chief Executive Officer & Chief Financial Officer	01/12/1996	B.Com (H), FCA, ACS & AICWA	Shubham Industries Ltd.	22	Nil
Jugal Kishore Malpani	President	01/07/2000	B.E. (Industrial & Production Engineering)	Sangam Aluminium Ltd.	22	Nil
R K Khanna	President (Projects)	01/01/2008	B.E. (Hons.) (Mechanical)	Century Aluminium Mfg.Co. Ltd.	40	700

The Company has all its key managerial personnel as its permanent employees on the payroll of the Company.

Bonus or Profit Sharing Plans For The Key Managerial Personnel

There are no bonus or profit sharing plans or any other benefits for the key managerial personnel of the Company.

Changes in the Key Managerial Personnel During Last one Financial Years

There have been no other changes in the Key Managerial Personnel during the last one financial years except the following;

Name	Designation	Date of appointment/ Cessation	Reason
Mr. Sumit Modi	Company Secretary	09/06/2007	Resignation
Mr. Saugata De	Company Secretary	01/07/2007	Appointment
Mr. Saugata De	Company Secretary	15/12/2007	Resignation
Mr. R K Khanna	President (Projects)	01/01/2008	Appointment for implementation of the expansion project

9. **ESOS / ESPS Scheme to Employees of the Company**

The Company has not introduced any Employees Stock Option Scheme / Employee Stock Purchase Scheme till date. However, a Special Resolution was passed by Postal Ballot for offering and issuing shares under an Employee Stock Option Scheme in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with Section 81 (1A) of the Companies Act, 1956 and the result of Postal ballot was declared on 12th April 2007 by the Chairman. However, the company is yet to formulate any Employees Stock Option Scheme / Employee Stock Purchase Scheme for the employees.

10. **Payment or Benefit to Officers of the Company**

The officers of the Company do not have any interest in the Company other than to the extent of the remuneration or benefit as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Company does not intend to pay or give any consideration for payment of giving of the benefits.

None of the directors / key managerial personnel are inter related except Mr. M.P. Jhunjhunwala, Chairman and Managing Director and Mr. Vikram Jhunjhunwala, Director who are father and son.

VI. PROMOTERS & PROMOTER(S) GROUP:

Mr. M. P. Jhunjhunwala, aged 68 years, arts graduate having overall experience of over 40 years including running aluminium related business and industrial enterprises.

In order to better utilize his industrial experience and talent, he formed Century Extrusion Limited in the year 1988. Since then, he is successfully running and managing our Company. He is the Chairman & Managing Director of our Company. Presently he looks after overall management and policy decisions of our Company. He is also the Chairman of Century Aluminium Mfg. Co. Ltd. which is our group company.

Unique ID No. (MAPIN): A00045690
Voter ID Number: WB/23/146/084221
Driving License Number: WB-01-202749
Permanent Account Number: ACYPJ1481G
Passport Number: MPJ-E0434074

Mr. Vikram Jhunjhunwala, aged 42 years, commerce graduate having overall experience of over 17 years in the aluminium industry. He is the son of Mr. M. P. Jhunjhunwala, founder of Century Extrusions Limited. He in non-executive Director of our Company.

He is the Executive Director of Century Aluminium Mfg. Co. Ltd., one of our group companies.

Unique ID No. (MAPIN): A000045708
Voter ID Number: WB/23/146/084225
Driving License Number: WB/01/121406
Permanent Account Number: ACYPJ1478P
Passport Number: E5531909

Declaration:
The Permanent Account Number, Bank Account Number and Passport Number of the individual Promoters have been submitted to the stock exchange on which securities are proposed to be listed at the time of filing of the Letter of Offer with them. There are no litigations, disputes towards tax liabilities or criminal/civil prosecution/complaint against the above-mentioned Promoters other than as mentioned in the chapter "Outstanding Litigation, Defaults and Material Developments" of this Letter of Offer.

RELATIONSHIP BETWEEN THE PROMOTERS, DIRECTORS AND THE MANAGERIAL PERSONNEL

Mr. M. P. Jhunjhunwala is the Promoter Director and Executive Chairman of our Company. Mr. Vikram Jhunjhunwala is Non-Executuve Director of our company and son of Mr. M. P. Jhunjhunwala. Except this, there is no relationship among any other directors or managerial personnel.

COMMON PURSUIT

M/s. Nanda Devi Sales Agency, an associate concern, is a consignment agent of Hindalco Industries Ltd., one of the major producers of aluminium in India. As per Law, a consignment agent has to sale the material at the same price as that of its Principal (Hindalco Industries Ltd. in this case), hence there is no conflict of interest. Century Aluminium Mfg Co Ltd, a promoter group company ,is a manufacturer of aluminium alloys, and our purchases from them are based on competitive market related prices. Further ,We shall adopt the necessary procedure and practices as permitted by law to address any conflict situations as and when they arise.

Interest of Directors and Promoters:

Except as stated elsewhere in this Letter of Offer, all the Directors may be deemed to be interested to the extent of remuneration and/or sitting fees payable to them for attending the meeting of the Board or Committee thereof apart from reimbursement of traveling/incidental expenses, if any, as per the Articles of Association of the Company.

The Managing Director/Directors/Promoters of the Company shall be deemed to be interested to the extent of shares held by them and/or their friends and relatives and which may be allotted to them out of the present rights issue, and are also deemed to be interested to the extent of remuneration and perquisites being drawn by them from the Company.

Except as stated otherwise in this Letter of Offer, the Company has not entered into any contract, agreements or arrangement during the preceding two years from the date of this letter of offer in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements which are proposed to be made to them.

RELATED PARTY TRANSACTIONS:

The details of related party transactions are mentioned in Para 9 of Annexure 4 to the Auditor's Report of this Letter of Offer.

VII. CURRENCY OF PRESENTATION:

In this Letter of Offer, unless the context otherwise requires, all references to the word "Lakh" or "Lac", means "One hundred thousand". In this Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off. All references to "Rupees" and "Rs." in this Letter of Offer are to the legal currency of India.

VIII. DIVIDEND POLICY

Our Company has a dividend policy for dividend payment as written in the Articles of Association of our Company. The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, in their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition. Our Company has not declared any dividend since the year 1997-98 in view of the losses suffered by the company.

E. FINANCIAL DETAILS

I. FINANCIAL INFORMATION OF THE ISSUER COMPANY

AUDITORS' REPORT AS REQUIRED BY PART II OF SCHEDULE II OF THE COMPANIES ACT, 1956

The Board of Directors
Century Extrusions Limited
113, Park Street,
'N' Block, 2nd Floor,
Kolkata-700 016

Dear Sirs,

Sub: Proposed Rights Issue

Offer to issue and allot 3,30,00,000 Equity Shares of Re.1/- each at a price of Re.4/- per share on Rights basis in the ratio of 33 Equity Shares for every 47 Equity Shares held

We have examined the financial information contained in the statements annexed to this report i.e. Annexures 1 to 12 which are proposed to be included in the Letter of Offer of Century Extrusions Limited in connection with the proposed Rights Issue as required by Clause B of Part II of Schedule II of the Companies Act, 1956 and Guidelines titled Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 ('Guidelines') issued by the Securities and Exchange Board of India (SEBI) in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992, and in accordance with the terms of reference received from the company, requesting us to carry out engagement to include the same in the letter of offer of the company in connection with its proposed right issue of the equity shares in the Company and we report that :

1. We have examined the 'Statement of Restated Profits and Losses' of the Company for each of the financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and 31st March 2007 and for the nine months period ended 31st December, 2007 and the 'Statement of Restated Assets and Liabilities' as at those dates together with the Significant Accounting Policies and Notes to Accounts enclosed as **Annexure – 1, Annexure – 2 and Annexure – 4** respectively to this report and confirm that these statements reflect the profit / loss and assets and liabilities for each of the relevant periods as extracted from the Profit and Loss Accounts for the financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and 31st March 2007 and for the nine months period ended 31st December, 2007 and the Balance Sheets as on those dates audited by us, after making therein the disclosures and adjustments required to be made in accordance with the provisions of Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000, to the extent applicable.

2. We have examined the 'Restated Cash Flow Statement' in respect of each of the years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007 and for the nine months period ended 31st December, 2007 and enclosed as **Annexure – 3** to this report and confirm that, in our opinion, these statements have been prepared by the Company in accordance with the requirement of Accounting Standard 3 (Cash Flow Statements) issued by the Institute of Chartered Accountants of India.

3. We have examined the accompanying 'Statement of Borrowings' as at 31st December, 2007, enclosed as **Annexure – 5** to this report, and report that it correctly records the matters stated therein.

4. We have examined the 'Statement of Sundry Debtors' and 'Statement of Loans and Advances' for the five financial years ended 31st Match 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007 and for the nine months period ended 31st December, 2007 and enclosed as **Annexure – 6 and Annexure – 7** respectively to this report, and report that it correctly records the matters stated therein.

5. We have examined the 'Statement of Accounting Ratios' of the Company for each of the five financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007 and for the nine months period ended 31st December, 2007 and enclosed as **Annexure – 8** to this report and confirm that they have been correctly computed.

6. We have examined the 'Statement of Tax Shelter' of the Company for each of the five financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006 and 31st March 2007, enclosed as **Annexure – 9** to this report and confirm that they have been correctly computed.

8. We have examined the 'Capitalisation Statement' enclosed as **Annexure – 10** to this report, and report that it correctly records the matters stated therein.

9. We have examined the 'Statement of Other Income' of the Company for each of the five financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007 and for the nine months period ended 31st December, 2007 and enclosed as **Annexure – 11** to this report, and report that it correctly records the matters stated therein.

10. We have examined the 'Statement of Dividend Payment' of the Company for each of the five financial years ended 31st March 2003, 31st March 2004, 31st March 2005, 31st March 2006, 31st March 2007 and for the nine months period ended 31st December, 2007 and enclosed as **Annexure – 12** to this report, and report that it correctly records the matters stated therein.

We further report that the information mentioned in the above paragraphs 2, 3, 4, 5, 6, 8 & 9 above has been correctly computed from the figures as stated in the statements of Profits and Losses and Assets and Liabilities referred to in paragraph 1 above.

This report is intended solely for your information for inclusion in the Letter of Offer in connection with the proposed Rights Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

A. K. Khetawat
Partner
Membership No. 052751

Place: Kolkata
Date: January 21, 2008

Annexure 1

STATEMENT OF RESTATED PROFITS AND LOSSES

Rs. lacs

	For 9 months ended	**For the year ended 31st March,**				
	31.12.2007	**2007**	**2006**	**2005**	**2004**	**2003**
Income						
Gross Sales:						
Manufactured goods	8,629.99	11,870.86	9,677.73	8,291.46	7,536.13	6,668.41
Trading goods	-	-	-	-	-	-
Total	**8,629.99**	**11,870.86**	**9,677.73**	**8,291.46**	**7,536.13**	**6,668.41**
Less: Excise Duty	1,162.28	1,613.84	1,328.23	1,147.36	1,027.90	909.56
Net Sales	7,467.71	10,257.02	8,349.50	7,144.10	6,508.23	5,758.85
Other Income	17.07	34.57	15.79	9.00	20.45	12.47
Increase (Decrease) in Inventories	98.93	(184.60)	471.68	(41.27)	36.70	(55.42)
Impairment of Assets Written Back	11.74	20.62	15.25	-	-	-
TOTAL	**7,595.45**	**10,127.61**	**8,852.22**	**7,111.83**	**6,565.38**	**5,715.90**
Expenditure						
Cost of material consumed	5,924.75	8,070.99	7,041.50	5,648.11	5,450.25	4,616.28
Purchases	-	-	-	-	-	-
Staff Cost	358.69	451.14	373.20	336.17	310.95	290.10
Other manufacturing Expenses	676.77	793.99	647.02	589.38	651.54	639.68
Administration Expenses	129.94	173.63	163.04	126.12	114.27	114.76
Selling and Distribution Expenses	57.32	67.65	78.22	42.74	29.16	41.57
Interest	68.27	94.75	100.68	88.05	138.96	365.31
Depreciation	75.91	95.38	97.80	104.10	96.41	148.45
Preliminary, Capital Issue and deferred revenue expenses written off	-	-	12.60	-	0.16	0.32
Impairment of Assets	-	-	-	62.53	-	-
TOTAL	**7,291.65**	**9,747.53**	**8,514.06**	**6,997.20**	**6,791.70**	**6,216.47**
Profit/(Loss) for the year	**303.80**	**380.08**	**338.16**	**114.63**	**(226.32)**	**(500.57)**
Prior period adjustment	-	-	1.25	(1.41)	(3.25)	(1.69)
Write down of long term investments	-	-	(0.01)	-	-	(2.99)
Waiver on settlement of dues with Banks	-	-	-	-	1,284.87	-
Payment against Settlement of Right of Recompense	-	(102.75)	-	-	-	-
Profit/(Loss) before tax	**303.80**	**277.33**	**339.40**	**113.22**	**1,055.30**	**(505.25)**
Fringe Benefit Tax	2.84	3.17	7.20	-	-	-
Income Tax	34.10	31.00	19.57	-	-	-
Deferred Tax	100.71	25.63	(267.26)	-	0.15	-
Income tax adjustment for earlier year	-	0.15	-	-	-	(0.20)
Profit/(Loss) after tax	**166.15**	**217.68**	**579.89**	**113.22**	**1,055.15**	**(505.45)**
Transfer from Equity Share Capital	-	-	-	-	1,080.00	-
Transfer from General Reserve	-	-	-	-	40.00	-
Transfer from Capital Reserve	-	-	-	-	41.96	-
Transfer from Share Premium Account	-	-	-	-	100.00	-
Profit / (Loss) brought forward	510.51	292.83	(287.06)	(400.28)	(2,717.39)	(2,211.9)
Adjestment for Employee Benefits as per AS 15 (Revised)	8.54					
Balance of Profit/(Loss) carried forward	668.12	510.51	292.83	(287.06)	(400.28)	(2,717.39)

Annexure 2

STATEMENT OF RESTATED ASSETS AND LIABILITIES

							Rs. lacs
		As at	**As at 31st March**				
		31.12.2007	**2007**	**2006**	**2005**	**2004**	**2003**
A.	**Fixed Assets**						
	Gross Block	2,192.52	2,150.50	2,087.98	2,117.61	2,110.70	2,141.01
	LESS: Depreciation	1,514.65	1,444.29	1,363.52	1,343.80	1,251.74	1,170.06
	Net Block	677.87	706.21	724.46	773.81	858.96	970.95
	Capital Work in Progress	17.61	0.24	11.56	2.26	-	0.79
	Net Block incl. Capital WIP	**695.48**	**706.45**	**736.02**	**776.07**	**858.96**	**971.74**
B.	**Current Assets, Loans and Advances**						
	Inventories	866.93	868.69	1,125.42	675.99	560.09	635.82
	Sundry Debtors	1,058.63	1,115.47	748.59	644.02	438.29	644.54
	Cash & Bank Balances	122.02	139.44	106.93	133.93	65.47	50.00
	Loans & Advances	508.59	400.07	300.94	208.61	106.58	85.39
	TOTAL	**2,556.17**	**2,523.67**	**2,281.88**	**1,662.55**	**1,170.43**	**1,415.75**
C.	**Investments**	-	-	-	0.01	0.01	0.01
D.	**Liabilities & Provisions**						
	Secured Loans	1,143.71	981.62	832.88	819.66	599.64	2,638.25
	Unsecured Loans	368.33	340.68	369.66	803.78	1,224.03	736.57
	Current Liabilities & Provisions	746.75	1,168.94	1,319.79	982.25	486.01	348.27
	TOTAL	**2,258.79**	**2,491.24**	**2,522.33**	**2,605.69**	**2,309.68**	**3,723.09**
E.	**Net worth**	992.86	738.88	495.57	(167.06)	(280.28)	(1,335.59)
F.	**Represented by**						
	1. Share Capital	470.00	470.00	470.00	120.00	120.00	1,200.00
	2. Reserves				-	-	141.96
G.	Profit and Loss Account	668.12	510.51	292.83	(287.06)	(400.28)	(2,677.39)
H.	**Misc. Expenditure**	-	-	-	-	-	(0.16)
I.	**Deferred Tax Assets**	**145.26**	**241.63**	**267.26**	**-**	**-**	**-**
J.	**Net worth**	992.86	738.88	495.57	(167.06)	(280.28)	(1,335.59)

Annexure 3

RESTATED CASH FLOW STATEMENT

Rs. lacs

		As at	As at 31st March				
		31.12.2007	2007	2006	2005	2004	2003
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net Profit/(Loss) before tax and extraordinary items:	303.80	380.08	338.16	114.63	(226.32)	(503.56)
	Adjustment for:-Depreciation	75.91	95.38	97.80	104.10	96.41	148.45
	Impairment of Assets	(11.74)	(20.62)	(15.25)	62.53	-	-
	Investment written off	-	-	-	-	-	
	Investment written off	-	-	0.01	-	-	2.99
	Adjustment of Deferred tax Assets	(100.71)	(25.63)	(267.26)	-	-	-
	Deffered revenue expenses	-	-	-	-	0.16	0.32
	Provision for Taxation	(36.94)	(34.17)	(26.77)	-	-	-
	Adjustment for Employee Benefits	(12.88)					
	(Profit)/Loss on sale of fixed assets	1.73	2.62	(5.07)	1.88	(0.50)	3.18
	Interest Paid	68.27	94.75	100.68	88.05	138.96	365.31
	Less : Interest Received	(5.51)	(8.96)	(7.14)	(4.10)	(8.52)	(9.15)
	Operating Profit/(Loss) before working capital changes	281.93	483.45	215.16	367.09	0.19	7.54
	Adjustment for : Trade and other receivables	(51.68)	(466.01)	(196.90)	(307.76)	185.06	(215.77)
	Inventories	1.76	256.73	(449.43)	(115.90)	75.73	128.79
	Trade payables	(447.39)	(164.24)	326.01	433.71	137.74	35.78
	Cash generated from operations	(215.38)	109.93	(105.16)	377.14	398.72	(43.66)
	Taxation	36.94	34.17	26.77	-	(0.15)	-
	Adjustment for Deferred Tax	100.71	25.63	267.26	-	-	-
	Extraordinary Items	-	(102.75)	1.25	(1.41)	(3.25)	(1.69)
	Taxation	-	-	-	-		(0.20)
	Net cash from operating activities	(77.73)	66.98	190.12	375.73	395.32	(45.55)
	CASH FLOW FROM INVESTING ACTIVITIES						
B.	Purchase of fixed assets	(71.22)	(69.44)	(66.11)	(25.37)	(9.14)	(9.35)
	Sale/Adjustment of fixed assets	4.55	1.00	13.43	2.28	26.01	1.23
	Interest received	5.51	8.96	7.14	4.10	8.52	9.15
	Net cash used in investing activities	**(61.16)**	**(59.48)**	**(45.54)**	**(18.99)**	**25.39**	**1.03**
	CASH FLOW FROM FINANCIAL ACTIVITIES						
C.	Proceeds from issue of share capital	-	-	350.00	-	-	-
	Proceeds from long term borrowings	(16.08)	(25.11)	(25.40)	439.01	(47.78)	90.67
	Proceeds from short term borrowings	205.82	144.87	(395.50)	(39.60)	128.99	(2.62)
	Proceeds from Sale of Investments	-	-	-	-	-	0.01
	Increase in interest accrued and due	-	-	-	-	-	356.40
	Waiver on Settlement of Dues with Banks	-	-	-	-	259.45	-
	Interest paid	(68.27)	(94.75)	(100.68)	(88.05)	(138.96)	(365.31)
	Net cash used in financing activities	**121.47**	**25.01**	**(171.58)**	**311.36**	**201.70**	**79.15**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(17.42)	32.51	(27.00)	668.10	622.41	34.63
	Cash and cash equivalents opening balance:						
	Cash and bank balance	139.44	106.93	133.93	65.47	50.00	59.41
	Cash credit accounts	-	-	-	-	(1,206.58)	(1,250.62)
	Settlement Accounts	-	-	-	(599.64)	-	-
		122.02	139.44	106.93	133.93	(534.17)	(1,156.58)
	Cash and cash equivalents closing balance:						
	Cash and bank balance	122.02	139.44	106.93	133.93	65.47	50.00
	Cash credit accounts	-	-	-	-	-	(1,206.58)
	Settlement Accounts	-	-	-	-	(599.64)	-
		122.02	139.44	106.93	133.93	(534.17)	(1,156.58)

1. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

a. **Fixed Assets & Depreciation:**

- Fixed Assets are valued at cost less accumulated depreciation. Depreciation is provided on Straight Line Method at rates prescribed under schedule XIV to the Companies Act, 1956.
- Free hold land, Leasehold Land and Site Development Expenses are not depreciated.
- Lease hold land wherever lease period expires, is fully depreciated in the year in which the lease expired.

b. **Pre-operative Expenses**

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

c. **Capital work-in-Progress**

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

d. **Investments**

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

e. **Inventories:**

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

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

f. **Dies and Tools:**

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

g. **Sales:**

Sales include excise duty wherever applicable.

h. **Purchases:**

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

i. **Foreign Currency Expenditure:**

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

j. **Employee Benefit:**

i) Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

k. **Taxation:**

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

l. **Borrowing Costs:**

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

m. **Impairment of Assets:**

The carrying amount of assets is reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

n. **Capital Issue Expenses**

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

2. Contingent Liabilities not provided in respect of:

a. Estimated amount of contracts (net of advance) remaining to be executed on Capital Account and not provided for as on 31st December 2007 is Rs 14.82 lacs (Previous year Rs 4.36 lacs).

b. Bank Guarantees outstanding Rs.109.16 lacs (previous year Rs.107.25 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 528.00 lacs (Previous year 521.85 lacs) against which Rs. 68.30 lacs (previous year Rs.64.60 lacs) have been deposited with the Banks as Margin Money.

c. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs 22.08 lacs and Rs.21.42 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 2003-2004 and 2004-2005 against which the Company has referred appeals before the higher authorities.

d. Bills discounted with banks Rs 189.18 lacs (previous year Rs. 176.54 lacs).

e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.108.81 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.

f. The Commercial Tax Officer has not allowed input tax credit under West Bengal Value Added Tax Act of Rs.0.51 lacs on account of sales tax paid on opening stock of stores and spares. The Company has preferred a revision application before the Deputy Commissioner, Commercial Taxes.

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

a) Term Loan of Rs.500 lacs from Govt. of West Bengal is secured by first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with non-fund based facility of Rs.652 lacs which the Company has availed from State Bank of India and Allahabad Bank. A sum of Rs 100.00 lacs is repayable within next 12 months towards loan amount.

b) Term Loan of Rs.314 lacs from Govt. of West Bengal is secured by way of residuary charge on all the immovable properties and a residuary charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal,

c) Non-fund based working capital facilities of Rs.652 lacs availed from State Bank of India and Allahabad Bank are secured -

i) By first mortgage on all the immovable properties and a first charge by way of hypothecation of plant & machinery of the Company, both present and future, situated at Company's factory at Kharagpur in West Bengal, ranking pari passu with Govt. of West Bengal for Term Loan of Rs.500 lacs.

ii) By first charge by hypothecation of stocks, book debts and other current assets.

iii) By personal guarantees of the Chairman & Managing Director and one other Director of the Company.

d) Loans from ICICI Bank are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 6.53 lacs is repayable within next 12 months towards loan amount.

e) Loans from HDFC Bank are secured by hypothecation of vehicles purchased out of the said loan. A sum of Rs 2.23 lacs is repayable within next 12 months towards loan amount.

f) Buyer's Credit of Rs.310.89 lacs from State Bank of India which is funded by the Bank's overseas branches is secured by local branch of State Bank of India issuing letter of comfort by blocking Letter of Credit facility to that extent.

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

5. **A. Loans and Advances include:**

a. Rs 35.00 lacs (previous year Rs.35.00 lacs) being security deposit for office premises made to a private limited company in which a relative of two of the directors is interested as a director.
b. Rs 104.84 lacs (previous year Rs.180.69 lacs).lacs due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.

B. Sundry Debtors include:

a. Nil (previous year Rs.4.06 lacs) due from a firm in which Chairman & Managing Director and one other Director of the Company are interested as partners.
b. Rs.14.81 lacs (previous year Nil) due from a private company in which one Director of the Company is interested as a director.

6. In view of the brought forward losses under Income Tax, the Company is liable to pay only the Minimum Alternate Tax.

7. a. The total dues outstanding to Small Scale Industrial Undertakings as at 31.12.2007, to the extent identified based on the available information, included under Current Liabilities is Rs 69.03 lacs (Previous Year 4.73 lacs). Outstanding exceeding Rs 1.00 lacs and more than 30 days as on 31.12.2007 to a Small Scale Industrial Undertaking is as below.

Name of the SSI undertaking	Amount (Rs. in lacs)
Khaitan Paper & Packaging Pvt. Ltd.	2.97
Century Aluminium Mfg. Co. Ltd.	62.11

b. None of the suppliers has informed the company of being registered under the Micro, Small and Medium Enterprises Development Act 2006 and therefore there is no information for submission under the said Act.

8. Remuneration, for the period ended 31st December, 2007 – of Managing Director of the Company consist of Salaries Rs. 9.00 lacs (previous year Rs.12.00 lacs), value of Perquisites Rs. 5.67lacs (previous year Rs.3.00 lacs) and Contribution to Provident Fund Rs.1.08lacs (previous year Rs.1.44 lacs).

9. Disclosure of related parties / related party transactions :

a) Names of related parties as on 31st December 2007:

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

b) Key Management Personnel & their relatives:

(i) Shri M P Jhunjhunwala :Chairman & Managing Director

Relatives of Shri M P Jhunjhunwala :
Smt. Sita Devi Jhunjhunwala : Wife
Shri Vikram Jhunjhunwala : Son
Smt. Saroj Saraf : Daughter
Smt. Shashi Khaitan : Daughter
Smt. Sarita Modi : Daughter

(ii) Shri Kailash Baheti : Chief Executive Officer & Chief Financial Offficer
Relatives of Shri Kailash Baheti
Shri Shankar Lal Baheti : Father
Smt. Bimla Devi Baheti : Mother
Smt. Shashi Baheti : Wife
Ms Ankita Baheti : Daughter
Ms Apoorva Baheti : Daughter

(iii) Shri J.K. Malpani : President
Relatives of Shri J.K. Malpani
Smt. Deepa Malpani : Wife
Ms. Shikha Malpani : Daughter

c) Disclosure of related party transactions: (Rs. in lacs)

Nature of Transactions	Period ended	Years ended 31st March		
	31.12.2007	2007	2006	2005
i. Associated Concerns				
1 Purchase of Goods	1,466.78	3,078.51	4,089.16	5,009.84
2 Sale of Goods	360.25	322.33	126.56	167.52
3 Rent Paid	5.41	5.08	5.53	7.63
4 Rent Received	0.27	0.30	-	-
5 Interest Paid	-	-	0.24	0.24
6 Sale of Fixed Assets	-	-	2.26	-
ii. Key Management Personnel				
1 MD Remuneration	15.75	16.44	12.09	10.14
2 Remuneration to CEO & CFO	12.39	19.62	9.85	N.A.
3 Remuneration to President	9.46	N.A.	N.A.	N.A.
iii. Relatives of Key Management Personnel				
1 Rent Paid	-	0.84	0.42	0.28

d) Outstanding balances as on: (Rs. in lacs)

	Period ended	Years ended 31st March		
	31.12.2007	2007	2006	2005
Loans & Advances				
Associated Concerns	139.84	219.30	35.00	35.00
Key Management Personnel & Relatives	-	-	-	-
Sundry Creditors				
Associated Concerns	62.20	-	116.46	174.94
Key Management Personnel & Relatives	-	-	-	-
Unsecured Loans				
Associated Concerns	-	-	-	-
Key Management Personnel & Relatives	-	-	-	55.00
Sundry Debtors				
Associated Concerns	14.81	4.06	-	-
Key Management Personnel & Relatives	-	-	-	-

10. **Employee Benefits:**

Employee Benefits have been provided as per provisions of Revised Accounting Standard 15 (AS15) issued by the Institute of Chartered Accountants of India with effect from 01.04.2007. The difference in opening balance of employee benefits as per the provision already made as per normal accounting practice followed until 2006-07 and as per revised AS15 has been adjusted with opening balance in Profit and Loss Account (decrease by Rs.8.55 lacs) and in Deferred Tax Assets (increase by Rs.4.34 lacs).

11. The figures of the current period relates to nine months whereas the previous period figures are for twelve months and therefore previous period figure are not comparable with those of the current period.

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

Annexure 5

STATEMENT OF BORROWINGS

(A) Secured Loans as on 31st December 2007

Name of the Lender	Government of West Bengal	ICICI Bank Ltd.	Government of West Bengal
Sanctioned Amount	Rs. 500.00 Lacs	Rs. 6.13 Lacs	Rs 314.00 lacs
Date of Last Disbursement	28.10.2004	10.11.2004	30.03.2005
Rate of Interest	8.75%pa with a rebate of 2.00%pa for timely payment	6.35%pa	8.75%pa with a rebate of 2.00%pa for timely payment
Principal Repaid	Nil	Rs. 3.67 Lacs	Nil
Principal Outstanding	Rs. 500.00 Lacs	Rs 2.46 lacs	Rs 314.00 lacs
Nature of Security	First charge on entire fixed assets of the company, pari passu with the bankers to the company viz. State Bank of India and Allahabad Bank for the non-fund based working capital facilities granted to the company	Car for which finance has been taken from the bank	Residuary charge on all immovable properties and a residuary charge by way of hypothecation of plant & machinery of the company situated at factory at Kharagpur
Repayment Schedule	In 5 equal annual installments with a moratorium on repayment for first 3 years	Equal monthly installments in 5 years	In 8 equal annual installments with a moratorium on repayment for first 3 years

Name of the Lender	ICICI Bank Ltd.	ICICI Bank Ltd.	HDFC Bank Ltd.	ICICI Bank Ltd.
Sanctioned Amount	Rs. 3.40 Lacs	Rs.9.95 Lacs	Rs.7.22 Lacs	Rs.5.77 Lacs
Date of Last Disbursement	05.06.2007	31.12.2005	10.09.2007	05.09.2005
Rate of Interest	12.89%pa	5.53 %pa	Part of EMI	Part of EMI
Principal Repaid	Rs. 0.34 Lacs	Rs. 6.46 Lacs	Rs. 0.75 Lacs	Rs.2.42 Lacs
Principal Outstanding	Rs 3.06 lacs	Rs 3.48 lacs	Rs 6.46 lacs	Rs 3.34 lacs
Nature of Security	Car for which finance has been taken from the bank	Car for which finance has been taken from the bank	Car for which finance has been taken from the bank	Car for which finance has been taken from the bank
Repayment Schedule	Equal monthly installments in 5 years	Equal monthly installments in 3 years	Equal monthly installments in 3 years	Equal monthly installments in 5 years

Name of the Lender	State Bank of India, New York Branch	State Bank of India, New York Branch	State Bank of India, Hong Kong Branch
Sanctioned Amount	Rs. 107.50 Lacs	Rs. 101.16 Lacs	Rs. 102.22 Lacs
Date of Last Disbursement	09.10.2007	16.11.2007	18.12.2007
Rate of Interest	5.72%pa	5.30%pa	5.84875%pa
Principal Repaid	Nil	Nil	Nil
Principal Outstanding	Rs 107.50 lacs	Rs 101.16 lacs	Rs 102.22 lacs
Nature of Security	Letter of Comfort issued by State Bank of India, IFB Branch, Kolkata by blocking L/C facility.	Letter of Comfort issued by State Bank of India, IFB Branch, Kolkata by blocking L/C facility.	Letter of Comfort issued by State Bank of India, IFB Branch, Kolkata by blocking L/C facility.
Repayment Schedule	On or before 04.04.2008	On or before 13.05.2008	On or before 13.06.2008

(B) Unsecured Loans as on 31st December 2007

Particulars	Amount (Rs. Lacs)	Interest Rate % p a	Repayment Terms
Deferred Sales Tax (Under West Bengal Industrial Incentive Scheme)	323.53	Nil	Repayable quarterly over a period of eight years, depending on the corresponding collection in relevant quarter in the collection year
Bodies Corporate RVS Management Pvt. Ltd.	30.00	12.00	Repayable on demand.
Bridge Loan against Power Subsidy West Bengal Industrial Development Corporation	14.80	13.50	Repayable within a period of fifteen months from the date of disbursement in five equal consecutive quarterly installment of Rs. 3.70 lacs commenced three months after the date of disbursement (07.08.2007).

Annexure - 6

STATEMENT OF SUNDRY DEBTORS

(Rs. in lacs)

Particulars	As at 31.12.2007	As at 31st March				
		2007	**2006**	**2005**	**2004**	**2003**
a) Debts outstanding for a period more than six months						
- Considered Good	10.72	17.75	33.35	25.76	32.89	16.96
- Considered Doubtful	2.52	2.07	13.90	12.73	7.53	15.55
	13.24	19.82	47.25	38.49	40.42	32.51
Less : Provided for	2.52	2.07	13.90	12.73	7.53	15.55
	10.72	17.75	33.35	25.76	32.89	16.96
b) Other Debtor - Considered Good	1047.91	1097.72	715.23	618.26	405.4	627.58
Total	**1058.63**	**1115.47**	**748.58**	**644.02**	**438.29**	**644.54**

CENTURY EXTRUSIONS LIMITED

Annexure - 7

STATEMENT OF LOANS AND ADVANCE

Particulars	As at 31.12.2007	As at 31st March				
		2007	2006	2005	2004	2003
Deposits	59.38	62.23	56.71	68.54	71.76	54.73
Advance Payment of Income Tax	97.27	60.38	23.01	1.36	1.84	2.06
Advance Recoverable in cash or in kind or for value to be received	351.94	277.19	221.22	138.71	32.98	28.60
Total	**508.59**	**399.80**	**300.94**	**208.61**	**106.58**	**85.39**

STATEMENT OF ACCOUNTING RATIOS

Annexure 8
(Rs in Lacs)

Particulars	As at 31.12.2007	As at 31st March				
		2007	2006	2005	2004	2003
Profit/(Loss) after tax	166.15	217.68	579.89	113.22	1,055.15	(505.45)
Less : Extraordinary Items	-	-	-	-		
Write down of long term investments	-	-	(0.01)	-	-	(2.99)
Waiver on settlement of dues with banks	-	-	-	-	1,284.87	-
Profit/(Loss) excluding extraordinary items	166.15	217.68	579.90	113.22	(229.72)	(502.46)
No. of Equity Shares	47000000	47000000	47000000	12000000	12000000	12000000
EPS basic (Annualised)	0.35	0.46	2.27	0.94	(1.91)	(4.19)
EPS Diluted	0.35	0.46	2.27	0.94	(1.91)	(4.19)
Net worth	992.86	738.88	495.57	(167.06)	(280.28)	(1,335.59)
Return on Networth(%)	16.73	29.46	117.02	-	-	-
NAV per share	2.11	1.57	1.05	(1.39)	(2.34)	(11.13)

STATEMENT OF TAX SHELTER						Annexure 9 (Lacs Rs.)
	9-mths ended	For the year ended 31st March				
Particulars	**31/12/2007**	**2007**	**2006**	**2005**	**2004**	**2003**
Income Tax rates applicable (%)	33.99	33.66	36.59	35.88	36.75	35.70
A. Business Loss						
Net Profit/(Loss) before current and deferred taxes, as per audited accounts	303.80	277.33	339.40	114.62	(226.33)	(503.56)
Adjustments:						
Permanent Differences						
Dividend from Investment	(0.55)	-	-	-	-	-
Rent Received	(0.34)	(0.43)	(0.13)	(0.13)	(0.13)	(0.13)
Profit on sale of Land	-	-	-	-	(8.24)	3.18
Other adjustments	-	(32.45)	(2.93)	67.52	1007.05	(28.99)
Sub - Total	**(0.89)**	**(32.88)**	**(3.06)**	**67.39**	**998.68**	**(25.94)**
Timing Differences						
Difference between Tax Depreciation and Book Depreciation (including Amortisation) Amount	40.73	52.30	58.03	49.16	30.19	71.37
Adjustment u/s 43B	9.19	6.68	4.20	3.17	4.15	96.23
Others	0.00	0.00	0.00	0.00	0.00	0.00
Sub - Total	**49.92**	**58.98**	**62.23**	**52.33**	**34.34**	**167.60**
Business Loss (including Unabsorbed Depreciation) ...(A)	**352.83**	**303.43**	**398.57**	**234.34**	**806.69**	**(361.90)**
B. Capital Gains and Other Income/ (Loss)						
Capital Gains	-	-	(0.57)	(0.34)	0.00	0.00
Rent Received	0.34	0.09	0.09	0.09	0.09	0.09
Dividend	-	-	-	-	-	-
Other Income	-	0.30	-	-	-	-
Total Capital Gains and Other Income...(B)	**0.34**	**0.39**	**(0.48)**	**(0.25)**	**0.09**	**0.09**
Total (A+B)	**353.17**	**303.82**	**398.09**	**234.09**	**806.78**	**(361.81)**
Less : Adj. of Unabsorbed Depreciation	353.17	303.82	0.09	0.09	0.09	
Less : Adj. of Accumulated Business Loss			398.57	234.34	806.69	
Capital Loss carried forward			(0.57)	(0.34)		
Total Taxable Profit	**(0.00)**	**0.00**	**0.00**	**0.00**	**(0.00)**	**(361.81)**
Tax Expenses:						
Income Tax Provision under MAT	34.57	31.00	19.57	-	-	-
Fringe Benefit Tax Provision	2.84	3.17	7.20	-	-	-
MAT Credit Allowable in future years	79.46	49.79	19.03	-	-	-

CENTURY EXTRUSIONS LIMITED **Annexure 10**

CAPITALISATION STATEMENT

(Lacs Rs.)

Particulars	**Pre Issue as on 31/12/07**	**As adjusted for Rights Issue and Term Loan for the Project**
Debts		
Short Term Debts	484.70	484.70
Long Term Debts	1,027.34	2,227.34
Total Debts	1512.04	2712.04
Shareholders Funds:		
Share Capital - Equity	470.00	800.00
Reserve and Surplus	668.12	1,658.12
Deferred Tax Assets	(241.63)	(241.63)
Total Shareholders Funds	896.49	2216.49
Long Term Debt / Equity	**1.15**	**1.00**

CENTURY EXTRUSIONS LIMITED **Annexure 11**

STATEMENT OF OTHER INCOME

Rs. lacs

	For 9 months ended	**For the year ended 31st March,**				
	31.12.2007	**2007**	**2006**	**2005**	**2004**	**2003**
Other Income						
From Normal Business Activities						
Recurring						
Interest received	5.51	8.96	7.14	4.10	8.52	9.15
Miscelleneous Income	10.81	18.01	1.43	2.57	1.32	3.71
Rent received	0.34	0.43	0.13	0.13	0.13	0.13
Non Recurring						
Profit on sale of fixed assets	(1.73)	(2.62)	5.07	(1.88)	0.50	(3.18)
Liabilities written back	0.01	1.43	2.02	1.69	1.82	1.54
Insurance claim received	0.78	-	-	-	-	1.12
Bad Debts recovered	0.57	3.64	-	-	4.27	-
Excess provision for doubtful debts written back	-	4.72	-	2.39	3.89	-
From Other Activities						
Non Recurring						
Profit on Sale of Current Investment	0.23	-	-	-	-	-
Dividend Received	0.55	-	-	-	-	-
TOTAL	**17.07**	**34.57**	**15.79**	**9.00**	**20.45**	**12.47**

CENTURY EXTRUSIONS LIMITED **Annexure 12**

STATEMENT OF DIVIDEND PAYMENT

(Rs. in Lacs)

Particulars	**Period Ended**	**For the Year Ended 31st March**				
	31/12/2007	**2007**	**2006**	**2005**	**2004**	**2003**
EQUITY CAPITAL						
No. of Equity Shares of Rs. 10 each	-	-	-	-	-	12,000,000
No. of Equity Shares of Rs. 1 each	47,000,000	47,000,000	47,000,000	12,000,000	12,000,000	-
Rate of Dividend	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Dividend Paid (Rs.)	-	-	-	-	-	-
Amount of Dividend	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**
PREFERENCE CAPITAL	-	-	-	-	-	-
No. of Preference Shares	-	-	-	-	-	-
Rate of Dividend	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Amount of Dividend	-	-	-	-	-	-
Dividend Tax	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

II. FINANCIAL INFORMATION OF THE GROUOP COMPANIES

DETAILS OF LISTED COMPANIES WITHIN THE PROMOTER GROUP COMPANIES.

1. Jeco Exports & Finance Ltd. (JEFL)

Jeco Exports Limited was incorporated on 2.6.1982 with Registrar of Companies, West Bengal. Subsequently its name was changed to JECO EXPORTS & FINANCE LTD on 21.9.1993. Registration No. of the company is 35005 of 1982 (CIN NO. U51109WB1982PLC035005). The company is indenting agent for a number of foreign suppliers and also importer of engineering goods. JEFL's registered office is situated at 113, Park Street, 'N' Block, 3rd Floor, Kolkata- 700 016.

Board of Directors	Mrs. Moulshree Jhunjhunwala. Mr. Md. Anarul Islam. Mr. M.K. Sanghai.

The Shareholding pattern of JEFL (as on 31 /03/2007) is as follows:

Category code	Category of shareholder	No. of shares of Rs10/- each held	% to total capital
(A)	**Shareholding of Promoter and Promoter Group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	6,29,300	42.463
(b)	Central Government/ State Government(s)/Government company	-	-
(c)	Bodies Corporate	-	-
(d)	Financial Institutions/ banks	-	-
(e)	Any Other (specify)	-	-
	Sub- Total (A)(1)	**6,29,300**	**42.463**
(2)	**Foreign**		
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Any other (specify)	-	-
	Sub-Total (A)(2)	NIL	NIL
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**6,29,300**	**42.463**
(B)	**Public shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions/ Banks	-	-
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institution Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other (Specify)	-	-
	Sub Total (B)(1)	**NIL**	**NIL**
2.	**Non-Institutions**		
(a)	Bodies Corporate	6,04,200	40.769
(b) i	Individuals: Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	51,100	3.448
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh.	1,97,400	13.320
C I	Any Other (Specify) Trust & Foundations	-	-
Ii	Cooperative Societies	-	-
Iii	Educational Institutions	-	-
Iv	Non Resident Individual	-	-
V	Foreign Companies	-	-
Vi	OCB	-	-
	Sub Total (B)(2):	**8,52,700**	**57.537**
	Total Public Shareholding (B) = (B)(1) + (B)(2) :	**8,52,700**	**57.537**
	Total (A) + (B):	**14,82,000**	**100.00**
C	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-
	GRAND TOTAL (A) + (B) + (C)	**14,82,000**	**100.00**

Financials

(Rs. In Lacs)

Particulars	2006-2007	2005-2006	2004-2005
Equity Capital	148.2	148.2	148.2
Reserves	42.46	39.68	11.37
Sales	17.00	--	--
Total Income	36.35	43.88	30.98
Profit after tax (PAT)	2.78	28.31	13.62
Earnings Per Share (EPS) (Rs.)	0.19	1.91	0.01
Net Asset Value (NAV)(Rs.)	12.86	12.68	10.77

JECO is listed on the CSE and UPSE. The shares of JECO were last traded on CSE on 08.08.2001 at Rs. 3.10 per share.

JECO has not made any rights / public issue during last three years. JECO is not a Sick Industrial Company within the meaning of the SICA.

2. Vintage Securities Limited (VSL)

Vintage Securities Limited was incorporated on 18.07.1994 with Registrar of Companies, West Bengal and received certificate of Commencement of Business on 26.07.1994. Registration No. of the company is 63991 of 1994 (CIN NO. L74120WB1994PLC063991). VSL is engaged in the business of financial service activities. VSL's registered office is situated at 'Anandlok' 4th Floor 227, A. J. C. Bose Road Kolkata – 700 020.

Board of Directors	Sri. B.L. Rathi. Sri. R.K. Saraogi. Sri. Sanjay Kumar Modi. Sri. V.K. Mohatta – Managing Director

The Shareholding pattern of VSL (as on 31/03/2007) is as follows:

Category code	Category of shareholder	No. of shares of Rs10/- each held	% to total capital
(A)	**Shareholding of Promoter and Promoter Group**		
(1)	**Indian**		
(a)	Individuals/ Hindu Undivided Family	3,04,700	8.31
(b)	Central Government/ State Government(s)/Government company	-	-
(c)	Bodies Corporate	16,30,000	44.45
(d)	Financial Institutions/ banks	-	-
(e)	Any Other (specify)	-	-
	Sub- Total (A)(1)	**19,34,700**	**52.76**
(2)	**Foreign**		
(a)	Individuals (Non-Resident Individuals/ Foreign non Individuals)	-	-
(b)	Bodies Corporate	-	-
(c)	Institutions	-	-
(d)	Any other (specify)	-	-
	Sub-Total (A)(2)	NIL	NIL
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**19,34,700**	**52.76**
(B)	**Public shareholding**		
(1)	**Institutions**		
(a)	Mutual Funds/ UTI	-	-
(b)	Financial Institutions/ Banks	-	-
(c)	Central Government/ State Government(s)	-	-
(d)	Venture Capital Funds	-	-
(e)	Insurance Companies	-	-
(f)	Foreign Institution Investors	-	-
(g)	Foreign Venture Capital Investors	-	-
(h)	Any Other (Specify)	-	-
	Sub Total (B)(1)	**NIL**	**NIL**

2.	**Non-Institutions**		
(a)	Bodies Corporate	8,04,917	21.95
(b) i	Individuals: Individual Shareholders Holding Nominal Share Capital Upto Rs. 1 Lakh	5,41,740	14.78
ii	Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh.	3,85,443	10.51
C I	Any Other (Specify) Trust & Foundations	-	-
Ii	Cooperative Societies	-	-
Iii	Educational Institutions	-	-
Iv	Non Resident Individual	-	-
V	Foreign Companies	-	-
Vi	OCB	-	-
	Sub Total (B)(2):	**17,32,100**	**47.24**
	Total Public Shareholding (B) = (B)(1) + (B)(2) :	**17,32,100**	**47.24**
	Total (A) + (B):	**36,66,800**	**100.00**
C	**Shares held by Custodians and against which Depository Receipts have been issued**	NIL	NIL
	GRAND TOTAL (A) + (B) + (C)	**36,66,800**	**100.00**

Financials

(Rs. In Lacs)

Particulars	**2006-2007**	**2005-2006**	**2004-2005**
Equity Capital	377.55	377.10	377.10
Reserves	40.99	37.61	32.84
Sales	NIL	NIL	NIL
Total Income	15.77	16.43	17.57
Profit after tax (PAT)	3.60	4.77	5.13
Earnings Per Share (EPS) (Rs.)	0.09	0.13	0.13
Net Asset Value (NAV)	11.41	10.35	10.23

VSL is listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE). Quotations for last six months at BSE are as follows:

Month	**BSE**		**CSE**	
	High	**Low**	**High**	**Low**
December 2007	11.34	7.40	N.T	N.T
November 2007	7.35	4.30	N.T	N.T
October 2007	N.T.	N.T.*	N.T	N.T
September 2007	4.77	4.12	N.T	N.T
August 2007	5.00	4.23	N.T	N.T
July 2007	4.12	3.75	N.T	N.T

N.T. – Not Traded

Stock Market Data

High/ Low price in the last 6 months (Rs)	BSE: Rs. 11.34 / 3.75 CSE: Rs. N.T
Market price as on 18/01/2008 (Rs)	BSE: Rs. 9.51 CSE: Rs. N.T

VSL has not made any rights / public issue during last three years. VSL is not a Sick Industrial Company within the meaning of the SICA.

DETAILS OF UNLISTED COMPANIES/FIRMS WITHIN THE PROMOTER GROUP:

1. Century Aluminium Manufacturing Company Ltd. (CAMCL)

Century Aluminium Manufacturing Co. Ltd. was incorporated on 31.10.1974 with Registrar of Companies, West Bengal as a private limited company and was subsequently converted into a public limited company and a fresh certificate of incorporation was obtained on 15.10.1985. Registration No. of the company is 29718 of 1974 (CIN NO. U27106WB1974PLC029718). CAMCL's registered office is situated at 113, Park Street, `N' Block 3rd Floor Kolkata – 700 016. The main business of the company is to manufacture Aluminium and Zinc based alloys and Pressure Die Castings.

Board of Directors	Sri. M.P.Jhunjhunwala (chairman), Sri. S.M.Shahi Sri. B.L.Maheshwari Sri. S.K.Poddar Sri. Vikram Jhunjhunwala (Executive Director)

The Shareholding pattern of CAMCL (as on 31/03/2007) is as follows:

S.No.	**Particulars**	**No. of shares of Rs. 10/-each held**	**% to total capital**
1.	Jeco Exports & Finance Ltd	2,14,620	3.62
2.	Vintage Securities Ltd	10,85,802	18.32
3.	Paramsukh Properties (P) Ltd	44,749	0.76
4.	Atash Properties & Finance (P) Ltd	24,601	0.42
5.	Vintage Capital Market Ltd	1,53,300	2.59
6.	Kutir Udyog Kendra (I) Ltd	2,63,822	4.45
7.	Echolac Vinimoy Pvt. Ltd	26,280	0.44
8.	Radiant Merchandise Pvt. Ltd	1,84,690	3.12
9.	MLB Commercial Pvt. Ltd	2,19,000	3.70
10.	Sunidhi Tradelink (Pvt.) Ltd	27,375	0.46
11.	'Elegance Trade & Holdings (P) Ltd.	2,79,590	4.72
12.	Pacific Corporate Services Ltd	1,47,1607	24.83
13.	S.Kumar & Sons Holding Pvt. Ltd	1,46,000	2.46
14.	Saharsh Yarn Pvt. Ltd	1,46,000	2.46
15.	Distent Barter Pvt. Ltd	90,520	1.53
16.	M.P.Jhunjhunwala	146	0.00
17.	Vikram Jhunjhunwala	292	0.00
18.	Madhav & Sons (HUF)	57,670	0.97
19.	Vikram & Sons (HUF)	44,530	0.75
20.	Moulshree Jhunjhunwala	1,91,552	3.23
21.	Sita Devi Jhunjhunwala	93,002	1.57
22.	Shivangshu Jhunjhunwala	2,97,475	5.02
23.	Rishik Jhunjhunwala	3,11,199	5.25
24.	'Vikram Jhunjhunwala (NDSA)	3,04,556	5.14
25.	Dinesh Krishnajee Nerlekar	14,600	0.25
26.	Hemant R.Patel (HUF)	87,600	1.48
27.	Suman Singhi and Atul Singhi	1,46,000	2.46
28.	Manoj Kumar Sangai	146	0.01
	TOTAL	**59,26,724**	100.00

Financials

(Rs. In Lacs)

Particulars	**2006-2007**	**2005-2006**	**2004-2005**
Equity Capital	592.67	405.94	405.94
Reserves	2,172.01	1,794.95	1,449.78
Sales	31,618.45	25,097.71	20,737.07
Total Income	31,792.46	25,248.71	20,798.66
Profit after tax (PAT)	562.63	345.17	240.35
Earnings Per Share (EPS) (Rs.)	13.81	8.50	5.92
Net Asset Value (NAV)	46.61	54.22	45.71

CAMCL has not made any rights / public issue during last three years. CAMCL is not a Sick Industrial Company within the meaning of the SICA.

2. M/S VINTAGE CAPITAL MARKETS LIMITED (VCML)

Vintage Capital Markets Limited, incorporated on 31.03.1995 with Registrar of Companies, West Bengal. Registration No. of the company is 70697 of 1995 (CIN NO. U67110WB1995PLC070697). VCML's registered office is situated at 227, A.J.C. Bose Road 4th Floor Kolkata – 700 020. VCML is engaged in the business of share broking and is a member of the National Stock Exchange and Calcutta Stock Exchange and dealer of Inter Connected stock exchange of India Limited .

The promoters and their family members own the company.

Board of Directors	Smt. Moulshree Jhunjhunwala Mr. Vikram Jhunjhunwala Mr. Kailash Baheti

The Shareholding pattern of VCML (as on 31/03/2007) is as follows:

S.No.	Particulars	No. of shares of Rs10/- each held	% to total capital
1.	Mr. Vikram Jhunjhunwala	1,91,500	10.49
2.	Mrs. Sita Devi Jhunjhunwala	3,50,000	19.18
3.	Mrs. Molushree Jhunjhunwala	4,39,900	24.10
4.	M/s Vintage securities LTD	5,02,000	27.51
5.	M/s Jeco Exports & Finance LTD	1,77,600	9.73
6.	M/s Kutir Udyog Kendra India LTD	73,900	4.05
7.	Mr. Kailash Baheti	90,000	4.93
8.	Mrs. Shashi Baheti.	100	0.01
	TOTAL	**18,25,000**	**100.00**

Financials

(Rs. in Lacs)

Particulars	2006-2007	2005-2006	2004-2005
Equity Capital	182.50	182.50	182.50
Reserves	236.61	271.90	71.68
Sales	NIL	NIL	NIL
Total Income	185.01	411.26	178.76
Profit/(Loss) After Tax (PAT)	(35.29)	200.22	33.82
Earnings Per Share (EPS) in Rs.	(1.93)	10.97	1.85
Net Asset Value per share (NAV) in Rs.	22.96	24.90	13.93

VCML has not made any rights / public issue during last three years. VCML is not a Sick Industrial Company within the meaning of the SICA.

3. KUTIR UDYOG KENDRA (INDIA) LIMITED (KUKIL)

Kutir Udyog Kendra (India) Ltd. was incorporated on 23.03.1989 with Registrar of Companies, West Bengal as a private limited company and was subsequently converted to a public limited company on 23/09/1998. Registration No. of the company is 046530 of 1986 (CIN NO. U51909WB1989PLC046530). KUKIL's registered office is situated at 58/3 Biplabi Rash Behari Basu, Kolkata – 700 001. The company is currently engaged in the business of trading in aluminium products.

Board of Directors	Shri. M.L. Mukherjee Shri. Md. Anarul Islam Shri. M.K. Shangai

The Shareholding pattern of KUKIL (as on 31/03/2007) is as follows:

S.No.	Particulars	No. of shares of Rs10/- each held	% to total capital
1.	Shivanshu Jhunjhunwala	1,300	0.26
2.	Satyam Mohatta	5,000	1.00
3.	Sundana khaitan	5,000	1.00
4.	Vikram Jhunjhunwala A/C NDSA	1,500	0.30
5.	Madhab Prasad & Sons (HUF)	2,000	0.40
6.	Jeco Exports & Finance Finance Ltd.	2,30,100	46.0
7.	Shyam Sundar Jhunjhunwala	5,000	1.00
8.	Vintage Capital Market Limited	1,15,000	23.0
9.	Rishik Jhunjhunwala	21,000	4.20
10.	Ensa Properties & Finance Pvt.Ltd	39,000	7.80
11.	Paramsukh Properties Pvt. Ltd	53,500	10.70
12.	Vintage Securities Limited	21,500	4.30
	TOTAL	**4,99,900**	**100.00**

Financials

(Rs. in Lacs)

Particulars	2006-2007	2005-2006	2004-2005
Equity Capital	49.99	49.99	49.99
Reserves (excluding Revaluation reserves)	31.50	29.63	27.67
Sales	572.89	480.67	1,444.51
Total Income	546.34	532.96	1,379.58
Profit After Tax (PAT)	1.87	1.96	9.92
Earnings Per Share (EPS) in Rs.	0.37	0.39	1.99
Net Asset Value (NAV) per share in Rs.	16.30	15.93	15.53

KUKIL has not made any rights / public issue during last three years. KUKIL is not a Sick Industrial Company within the meaning of the SICA.

4. M/S. PARAMSUKH PROPERTIES (P). LIMITED (PPPL)

M/S Paramsukh Properties Pvt. Ltd. was incorporated on 21.06.1991 with Registrar of Companies, West Bengal. Registration No. of the company is 41607 of 1991 (CIN NO. U70101WB1986PTC041607). PPPL's registered office is situated at 113, Park Street 3rd Floor, Kolkata – 700 016. The main activity of the company is to buy and lease out residential and commercial properties. M/s Dhruv Metals (P) Limited and M/s Ensa Properties (P) Limited, other promoter group companies have been amalgamated with PPPL w.e.f 01.04.2005 (Appointed Date) vide Calcutta High Court Order dated 11.05.2007.The company is owned by the promoters and their family members.

Board of Directors	Shri. V. K. Mohatta. Shri. D.K. Saraf. Shri. D.K. Pandey.

The Shareholding pattern of PPPL (as on 31/03/2007) is as follows:

S.No.	Particulars	No. of shares of Rs10/- each held	% to total capital
1.	Shivangshu Jhunhunwala	57,600	7.94
2.	Moulshree Jhunjhunwala	14,700	2.03
3.	Sita Devi Jhunjhunwala	6,500	0.90
4.	Vikram Jhunjhunwala C/O NDSA	43,500	6.00
5.	Jeco Exports & Finance Ltd.	50,000	6.89
6.	Vintage Securities Ltd	1,44,000	19.85
7.	Vintage Capital Market Ltd	1,27,500	17.58
8.	Atash Properties & Finance (P) Ltd	1,16,000	15.99
9.	Satyam Mohatta	23,000	3.17
10.	Sunanda Khaitan	2,500	0.34
11.	B.K.Basaniwal	1,00,000	13.79
12.	Suchi Marketing (P) Ltd	20,000	2.76
13.	Klas Commercial (P) Ltd	20,000	2.76
	TOTAL	**7,25,300**	**100.00**

Financials

(Rs. In lacs)

Particulars	2006-2007	2005-2006*	2004-2005*
Equity Capital	76.62	72.53	72.53
Reserves	24.54	4.00	0.32
Sales	NIL	NIL	NIL
Total Income	13.88	10.77	10.18
Profit After Tax (PAT)	3.46	3.69	2.65
Earnings Per Share (EPS) in Rs.	0.45	0.51	0.04
Net Asset Value (NAV) per share in Rs.	13.20	10.55	10.38

*does not include the figure of M/s Dhruv Metals (P) Limited and M/s Ensa Properties (P) Limited which were amalgamated with the company.

PPPL has not made any rights / public issue during last three years. PPPL is not a Sick Industrial Company within the meaning of the SICA.

5. CAMCO MULTI METAL LIMITED (Formerly Century NF Casting Limited)

Century NF Casting Limited was incorporated on 24.05.2001 with Registrar of Companies, Delhi and the name was changed to CAMCO Multi Metal Limited and a fresh Certificate of Incorporation consequent upon Change of Name received by company vide ROC certificate dt. 07.02.2007. Registration No. of the company is 110969 of 2001 (CIN NO. U27320DL2001PLC110969). CMML's registered office is situated at Sunder Lal Jain Charitable Eye Hospital, Sader Thana Road Paharganj, New Delhi - 110055. The company is yet to commence any business activity. The Company is a subsidiary of the group concern, M/s. Century Aluminium Mfg. Co. Ltd

Board of Directors	Mr. Madhab Prasad Jhunjhunwala. Mr. Vikram Jhunjhunwala. Mr. Rajkamal Saraogi.

The Shareholding pattern of CMML as on 31/3/2007 is as follows:

S.No.	Particulars	No. of shares of Rs10/- each held	% to total capital
1.	Mr. Kailash Baheti	100	0.1960
2.	Mr. Dilip Kumar Saraf	100	0.1960
3.	Mr Praveen Kumar Maggu	100	0.1960
4.	Mr. Raj Kumar Saraogi	100	0.1960
5.	M/s Century Aluminum Manufacturing co. Ltd.	50,000	98.04
6.	Mr. Vikram Jhunjhunwala	100	0.1960
7.	Mrs. Sita Devi Jhunjhunwala	100	0.1960
8.	Mrs. Molushree Jhunjhunwala	100	0.1960
9.	Mr. M.P.Jhunjhunwala	100	0.1960
10.	Mrs. R.M. Barjatya	100	0.1960
11.	Mrs. Anita Saraogi	100	0.1960
TOTAL		**51,000**	**100.00**

Financials

(Rs. In lacs)

Particulars	2006-2007	2005-2006	2004-2005
Equity Capital	5.10	5.10	5.10
Reserves (P/L A/c Dr. Bal.)	(2.59)	(1.87)	(1.19)
Sales	Nil	Nil	Nil
Total Income	0.097	Nil	0.03
Profit After Tax (PAT)	(0.72)	(0.68)	(0.68)
Earnings Per Share (EPS) in (Rs.)	(1.40)	(1.34)	(1.35)
Net Asset Value (NAV) per share in Rs.	4.92	6.33	7.66

CMML has not made any rights / public issue during last three years. PPPL is not a Sick Industrial Company within the meaning of the SICA.

6. ATASH PROPERTIES & FINANCE (P) LIMITED (APFL)

ATASH PROPERTIES & FINANCE (P) LIMITED was incorporated on 21-06-1991 with Registrar of Companies, West Bengal. Registration No. of the company is 052105 of 1991 (CIN NO. U70200WB1991PTC052105). APFL's registered office is situated at 58/3 B. R. B. BASU Road Kolkata - 700001. The main activity of the company is to buy and lease out residential and commercial properties.

Board of Directors	Shri. V.K. Mohatta. Shri D. K. Saraf. Shri. D. K. Pandey.

The Shareholding pattern of APFL (as on 31/03/2007) is as follows:

S.No.	Particulars	No. of shares of Rs10/- each held	% to total capital
1.	Jeco Exports & Finance Ltd	1,40,000	28.02
2.	Moulshree Jhunjhunwala	8,500	1.70
3.	Nanda Devi Sales Agency	13,000	2.60
4.	Ensa Properties & Finance (P) Ltd	6,000	1.20
5.	Vintage Securities Ltd	67,500	13.51
6.	Paramsukh Properties (P) Ltd.	75,120	15.04
7.	Shivanshu Jhunjhunwala	89,500	17.91
8.	Rishik Jhunjhunwala(M)	65,000	13.01
9.	Birender Kumar Basaniwal	35,000	7.01
TOTAL		**4,99,620**	**100.00**

Financials

(Rs. in lacs)

Particulars	**2006-2007**	**2005-2006**	**2004-2005**
Equity Capital	49.96	49.96	49.96
Reserves	7.69	6.22	4.89
Sales	NIL	NIL	NIL
Total Income	4.75	4.75	3.92
Profit After Tax (PAT)	1.48	1.32	1.32
Earnings Per Share (EPS) in Rs.	0.30	0.26	0.26
Net Asset Value (NAV) per share in Rs.	11.54	11.24	10.97

APFL has not made any rights / public issue during last three years. APFL is not a Sick Industrial Company within the meaning of the SICA.

7. NANDADEVI SALES AGENCY

Nandadevi Sales Agency is a Registered Partnership Firm. Core promoters hold equal share in the firm. The firm acts as a consignment agent for HINDALCO and is also engaged in the trading activities of Aluminium Products. The financial performances of the firm for the last three years are as follows:

(Rs. in lacs)

Particulars	**2006-2007**	**2005-2006**	**2004-2005**
Income from Operation	652.88	360.21	291.68
Profit Before Tax	8.87	15.97	8.70
Profit After Tax	5.60	10.14	4.98
Partners Capital Account	24.11	46.45	15.64

8. MULTI METAL UDYOG

Multi Metal Udyog is a Registered Partnership Firm in which the directors and their relatives are partners. The firm is engaged in the trading activities of Non ferrous metals. The financial performance of the firm for the last three years is as follows:

(Rs. in lacs)

Particulars	**2006-2007**	**2005-2006**	**2004-2005**
Income from Operation	6209.39	4952.17	4266.88
Profit Before Tax	23.05	22.53	21.17
Profit After Tax	14.95	14.88	13.54
Partners Capital Account	136.19	115.40	89.75

Disassociation of Promoters from the Companies / Firms preceding during three years.

The promoters of our company have disassociated themselves from the below mentioned companies during the preceeding three years, the details of which are given as under:

(i) M/s Dhruv Metals (P) Limited and M/s Ensa Properties (P) Limited ,which have been amalgamated with another promoter group company M/s Paramsukh Properties (P) Limited w.e.f 01.04.2005 (Appointed Date) vide Calcutta High Court Order dated 11.05.2007.

(ii) Sangam Aluminium limited : The promoters of our company had provided the personal guarantees in respect of Loans given by banks/Financial institutions to M/s Sangam Aluminium Limited , a sick Industrial company taken over by the promoters in the year March 1997. Due to recession and non viability of operations, a viable rehabilitation package could not be formulated and therefore the BIFR passed an order for the winding up of SAL. The lending institutions /banks filed suits against SAL and personally against both the Promoters. The Promoters of our company have since settled in the year 2006, all the dues of banks/lending institutions as per the terms of settlement proposal entered into with them . However , the Official liquidator appointed by Madras High court has made promoters ,party to the case in the matter of winding up proceedings of SAL at Madras high Court.

Purchase/sale of more than 10% from Group Companies

There are no transactions with Companies in the Promoter Group exceeding 10% of the total sales / purchases. However, the company has purchased 1947MT (value Rs. 2499 Lacs) of aluminium Metal in form of Ingots, Sows, Billets and Coils from M/s. Nanda Devi Sales Agency, an associate concern, who is the consignment agent of M/s. Hindalco Industries Ltd. out of its total purchase of 6026MT (value Rs. 7811 Lacs) of Ingots, Sows, Billets and Coils in the year 2006-07.

III. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this Letter of offer. You should also read the section titled 'Risk Factors' beginning on page [•] of this Letter Of Offer, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated unconsolidated financial statements, which have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act, 1956, and the SEBI guidelines. Our Financial year ends on March 31 of each year.

1. Overview of the business of the Company

CEL is a widely held public limited company incorporated in the year 1988 under the Companies Act, 1956. The registered office of the Company is situated at 113, Park Street, 2nd Floor, 'N' Block, Kolkata-700 016. CEL was incorporated with the main object of setting up a manufacturing unit for manufacture of Aluminium Extrusions.

The Company is engaged in the business of manufacture of Aluminium Extruded products since 1991. Its factory located at Kharagpur in West Bengal. In view of growing demand for extruded products, the company is proposing to double its installed production capacity from 7,500MT per annum to 15,000MT per annum by putting up one new Extrusion Press Line and adding new equipment with the existing facilities.

The Company has production facilities mainly comprising of a Re-melt Shop for casting billets, Tool Room for manufacture of Dies and two Extrusions Press Lines.

During the financial year ended 2006-07, the Company produced and sold 6410 MT of Aluminium Extruded products.

The existing technical staff members are highly experienced; some of them have as much as 15 to 20 years of experience. They have made good contribution for continuous improvement in the plant & machineries and process development over the years. Besides, senior technical personnel have gained excellent exposure to the latest 'State of the Art' technology by regularly attending Extrusion Technology seminars and expositions both within the country and overseas.

The Company has necessary skill and experience at its disposal to carry out the expansion plans without any external help.

2. Significant Developments subsequent to the last financial year

Except as otherwise stated in this Letter Of Offer, after the date of last balance sheet i.e.; March 31, 2007, the company has made investment for putting up a facility for manufacture of transmission and Distribution line hardware. The Company has made progress in the implementation of the Project, which has been detailed under section titled " Business Overview" on page [•] of this Letter Of Offer.

3. FACTORS AFFECTING OUR RESULTS OF OPERATIONS

General economic and business conditions:
The demand for our products is dependent on general economic conditions in the country. Our manufacturing operations would be affected by any adverse change in the Government Policies, Rules & Regulations.

Political condition:
In case of political instability, government could change the spending pattern. This change in policy framework can affect our business.

Competition:
Selling prices of our products may be affected if competition intensifies. Further, as a result of increased capacity of production, adoption of aggressive pricing strategies by our competitors in order to gain market share or new competitors entering the markets, may adversely affect our operations and financial results.

Capacity:
We are currently expanding our capacity for production. Our ability to fulfil larger orders will depend upon our ability to complete our expansion plans as scheduled. We believe that the scale of our production, and lower per unit operating costs due to economies of scale, will give us an edge over our competitors.

Raw Materials Prices:
The main raw material for the company is Aluminium Metal in form of Ingots and/or Billets. The Company sources its requirement of aluminium ingots from National Aluminium Co. Ltd., Hindalco Industries Ltd. and Bharat Aluminium Co. Ltd. Any change in the raw material prices may have effect on our pricing with our Customers.

Ability to attract, recruit and retain Key personnel:
The business we operate in is specialized in nature due to the technical and marketing expertise requirement. The Company's success on a large scale depends upon its senior management, Directors and key personnel and its ability to attract and retain them. Our future performance will depend upon the continued services of senior management, Directors and key personnel. Qualified & experienced people are in demand, and in the light of paucity of talented manpower, salary expectations are growing faster than revenue growth & hence retaining key personnel and recruiting fresh talent will be the challenges the company will have to face.

Our ability to maintain our quality standards:
The quality of product is of utmost importance. The company has been awarded ISO 9001:2000 certification by DNV for its Quality Management Systems for manufacture of Aluminium Extruded Products. In case we are not able to meet the minimum level of quality, we may not get renewal of the certification as and when the same falls due and this may adversely effect order procurement. Thus our business is dependent on our ability to maintain quality standards of our products.

Effect of Inflation:
We are affected by inflation as it has an impact on the raw material cost, wages, fuel cost etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

4. Comparison of recent Financial year with the Previous Financial Years:

(Rs in Lacs)

Particulars	31.3.2007 (12 Months)	31.3.2006 (12 Months)	31.3.2005 (12 Months)
Turnover	**10257.02**	**8349.50**	**7144.10**
Increase/Decrease (%)	22.85%	16.87%	9.77%
Other Income	**37.19**	**15.79**	**10.88**
Increase/Decrease (%)	135.53%	45.12%	(46.80)%
Increase/(Decrease) in Stocks/WIP	**(184.60)**	**471.68**	**(41.27)**
Increase/Decrease (%)	(28.19)%	251.39%	(18.03)%
Total Income*	**10130.23**	**8852.22**	**7113.71**
Increase/Decrease (%)	14.44%	24.44%	8.35%
Cost of Material Consumed	**8070.99**	**7041.50**	**5648.11**
Increase/Decrease (%)	14.62%	24.67%	3.63%
% to Turnover	78.69%	84.33%	79.06%
Manufacturing, Selling, Administrative Expenses and Other Expenditure	**1489.03**	**1261.48**	**1158.82**
Increase/Decrease (%)	18.04%	8.86%	4.77%
% to Turnover	14.52%	15.11%	15.35%
Total Expenditure	**9560.02**	**8302.98**	**6806.93**
Increase/Decrease (%)	15.14%	21.98%	3.83%
% to Turnover	93.21%	99.44%	94.41%
Profit Before Depreciation, interest and Tax	**570.21**	**549.24**	**306.78**
Increase/Decrease (%)	3.82%	79.03%	3289.83%

% to Turnover	5.56%	6.58%	5.17%
Depreciation	**95.38**	**97.80**	**104.10**
Increase/Decrease (%)	(2.47)%	(6.05)%	7.97%
% to Turnover	0.93%	1.17%	1.46%
Profit Before Interest and Tax	**474.83**	**451.44**	**202.68**
Increase/Decrease (%)	5.18%	70.22%	332.01%
% to Turnover	4.63%	5.41%	2.83%
Interest	**94.75**	**100.68**	**88.05**
Increase/Decrease (%)	(5.89)%	14.34	(36.64)%
% to Turnover	0.92%	1.21%	1.2%
Profit Before Tax & Extraordinary Items	**380.08**	**350.76**	**144.3**
Increase/Decrease (%)	8.36%	97.99%	256.48%
% to Turnover	3.71%	4.2%	1.60%
Total taxes	**(59.80)**	**240.49**	**-**
Increase/Decrease (%)			-
% to Turnover			-
Net Profit /(Loss) after tax but before Extraordinary Items	**320.28**	**591.25**	**114.63**
Increase/Decrease (%)	(45.83)%	233.74%	297.57%
% to Turnover	3.12%	7.08%	1.60%
Extraordinary Items	**102.6**	**11.36**	**1.41**
Net Profit after Extraordinary Items	**217.68**	**579.89**	**113.22**
Increase/Decrease (%)	(62.46)%	412.18%	(89.27)%
% to Turnover	2.12%	6.95%	1.59%

* Total Income has been arrived at after consideration of Impairment of assets written back.

Fiscal 2007 Vs Fiscal 2006

Income

Our total income increased by 14.44% from Rs. 8852.22 Lacs in fiscal 2006 to Rs. 10130.23 Lacs in fiscal 2007. The increase in income was mainly on account of increase in sales value, which increased due to increase in the raw material price although, there was a marginal decrease in sales quantity. Total sales value increased from Rs 8349.50Lacs in fiscal 2006 to Rs 10257.02 Lacs in fiscal 2007 showing a growth of 22.85%.

Expenditure

Our expenditure increased to Rs. 9560.02 Lacs in fiscal 2007 from Rs. 8302.98 Lacs in fiscal 2006 showing an increase of 15.14%. This increase in expenditure is mainly on account of increase in raw material expenditure (which increased from Rs. 7041.50 Lacs for fiscal 2006 to Rs. 8070.99 Lacs for fiscal 2007) and manufacturing & other expenses (which increased from Rs. 1261.48 Lacs for fiscal 2006 to Rs. 1489.03 Lacs for fiscal 2007). As a percentage of Turnover, the expenditure for fiscal 2007 was 93.21% as against 99.44% in fiscal 2006. This reduction in percentage term was on account of better control of expenses.

Cost of Material Consumed

Raw material cost increased to Rs. 8070.99 Lacs in fiscal 2007 from Rs. 7041.50 Lacs in fiscal 2006 showing an increase of 14.62%. The increase in raw material expenditure was due to world wide increase in the prices of aluminium metal which is our principal raw material.

Manufacturing, Selling, Administrative Expenses and Other Expenditure
Manufacturing Selling, Administrative and other expenses increased to Rs. 1489.03 Lacs in fiscal 2007 from Rs. 1261.48 Lacs in fiscal 2006 showing an increase of 18.04%. The increase in the manufacturing expenses was mainly on account of higher wages and higher power and fuel expenses. Manufacturing, Selling and Administrative expenses as percentage of turnover is 14.52% in fiscal 2007 compared to 15.11% in fiscal 2006. The decrease in manufacturing expenses as percentage of income was on account of increase in sales prices due to higher raw material prices and somewhat better price realization.

EBIDTA
EBIDTA as percentage of Turnover is 5.56% in fiscal 2007 compared to 6.58% in fiscal 2006. EBIDTA increased to Rs. 570.21 Lacs in fiscal 2007 from Rs. 549.24 Lacs in fiscal 2006 showing an increase of 3.82%. EBIDTA increased on account of better price realization.

Depreciation
Depreciation expenses decreased to Rs. 95.38 Lacs in fiscal 2007 from Rs. Rs 97.80 Lacs in fiscal 2006 showing a decrease of 2.47%. Depreciation charges as a percentage of Turnover were 0.93% in Fiscal 2007 and 1.17% in Fiscal 2006.

Interest
Interest expenses decreased to Rs. 94.75 Lacs in fiscal 2007 from Rs. 100.68 Lacs in fiscal 2006 showing a decrease of 5.89%. It includes amount paid on secured loan. The loan outstanding (including both secured as well as unsecured loan) on March 31, 2006 was Rs. 1202.54 Lacs which increased to Rs. 1322.30 Lacs as on 31st March, 2007. Interest charges as percentage of turnover were 0.92% in fiscal 2007 as compared to 1.21% in fiscal 2006.

PBT & Extraordinary Items
PBT before extra ordinary items increased to Rs. 380.08 Lacs in fiscal 2007 from Rs. 350.76 Lacs in fiscal 2006 showing a growth of 8.36%.The increase in PBT was on account of factors mentioned above. PBT as a percentage of Turnover was 3.71% in fiscal 2007 compared to 4.2% in fiscal 2006.

Taxes
During the financial year ended 2007 the company had provision of tax of Rs. 34.17 Lacs against Rs. 26.77 Lacs in the financial year ended 2006 showing increase of 27.64%. The company also had a deferred tax liability of Rs. 25.63 Lacs during the financial year against deferred tax asset of Rs. 267.26 Lacs in the financial year ended 2006.

PAT & Extraordinary Items
PAT decreased to Rs. 217.68 Lacs in fiscal 2007 from Rs. 579.89 Lacs in fiscal 2006 showing a decrease of 62.46%. The PAT in the fiscal 2006 was higher due to provision of Deferred Tax Assets of Rs. 267.26 Lacs in that year.

<u>Fiscal 2006 Vs Fiscal 2005</u>

Income
Our total income increased by 24.44% from Rs. 7113.71 Lacs in fiscal 2005 to Rs. 8852.22 Lacs in fiscal 2006. The increase in income was on account of increase in sales.

Expenditure
Our expenditure increased to Rs. 8302.98 Lacs in fiscal 2006 from Rs. 6806.93 Lacs in fiscal 2005 showing an increase of 21.98%. This increase in expenditure is mainly on account of increase in manufacturing, selling & administrative expenses (which increased from Rs. 1096.29 Lacs for fiscal 2005 to Rs. 1261.48 Lacs for fiscal 2006). As a percentage of Turnover, the expenditure for fiscal 2006 was 99.44% as against 94.41%in fiscal 2005.

Cost of Material Consumed
Raw material consumed had increased substantially to Rs. 7041.50 Lacs in fiscal 2006 from Rs. 5648.11 Lacs in fiscal 2005. The increase is on account of increased consumption of raw material due to higher production and increase in unit price of our raw material. Raw material cost as percentage of Turnover increased from 79.06% in fiscal 2005 to 84.33% in fiscal 2006 on account of the factors mentioned above.

Manufacturing, Selling, Administrative Expenses and Other Expenditure

Manufacturing, Selling, Administrative Expenses and Other Expenditure increased by 8.86% to Rs. 1261.48 Lacs in fiscal 2006 from Rs. 1158.82 Lacs in fiscal 2005. The increase in the manufacturing expenses was mainly on account of higher wages and higher power fuel expenses. Manufacturing, Selling and Administrative expenses as percentage of Turnover was 15.35% in fiscal 2005 compared to 15.11% in fiscal 2006.

EBIDTA

EBIDTA as percentage of Turnover was 6.58% in fiscal 2006 compared to 5.17% in fiscal 2005. The increase in EBIDTA was on account of factors mention above. EBITDA increased to Rs. 549.24 Lacs in fiscal 2006 from Rs. 306.78 Lacs in fiscal 2005 showing an increase of 79.03%. EBIDTA increased on account increased income and increased EBIDTA Margin.

Depreciation

Depreciation expenses decreased by 6.05% to Rs. 97.80 Lacs in fiscal 2006 from Rs. 104.10Lacs in fiscal 2005. For fiscal 2006, we reached 95% depreciation level for some of the equipment for 1620MT press line resulting in the aforesaid decrease. Depreciation expenses as percentage of Turnover has marginally decreased from 1.46% for fiscal 2005 to 1.17% for 2006.

Interest

Interest increased to Rs. 100.68 Lacs in fiscal 2006 from Rs. 88.05 Lacs in fiscal 2005. The increase was on account of increase in working capital requirement as a result of higher sales. Interest charges as percentage of Turnover were 1.21% in fiscal 2006 as compared to 1.23% in fiscal 2005.

PBT & Extraordinary Items

PBT increased to Rs. 350.76 Lacs in fiscal 2006 from Rs. 144.63Lacs in fiscal 2005 showing a growth of 97.99%. The increase in PBT was on account factors mentioned above.

Taxes

During the financial year ended 2006 the company had provision for tax of Rs. 26.77 lacs however the company provided for a deferred tax asset of Rs. 267.26 Lacs, which resulted in the negative provision for tax of Rs. 240.49 Lacs.

PAT & Extraordinary Items

PAT in fiscal 2006 increased to Rs. 579.89 lacs from Rs. 113.22 Lacs during fiscal 2005 showing a increase of 412.18%. The PAT in the fiscal 2006 was higher due to provision of Deferred Tax Assets of Rs. 267.26 Lacs in that year.

<u>Fiscal 2005 Vs Fiscal 2004</u>

Income

Our total income increased by 8.35% from Rs.6565.38 Lacs in fiscal 2004 to Rs. 7113.71 Lacs in fiscal 2005. The increase in income was on account of increase in sales of products manufactured by us. The net sales increased from Rs 6508.23 Lacs in fiscal 2004 to Rs 7144.10 Lacs in fiscal 2005 showing a growth of 9.77%.

Expenditure

Our expenditure increased to Rs 6806.93 Lacs in fiscal 2005 from Rs. 6556.33 Lacs in fiscal 2004 showing an increase of 3.83 %. This increase in expenditure is mainly on account of increase in raw material expenditure (which increased from Rs. 5450.25 Lacs for fiscal 2004 to Rs. 5648.11 Lacs for fiscal 2005) and manufacturing & other expenses (which increased from Rs. 1106.08 Lacs for fiscal 2004 to Rs. 1158.82 Lacs for fiscal 2005). As a percentage of Turnover, the expenditure decreased from 100.74% for fiscal 2004 to 94.41% for fiscal 2005. This increase in percentage term was on account of higher raw material expenses and Manufacturing & others expenses.

Cost of Material Consumed

Raw material cost increased to Rs.5648.11 Lacs in fiscal 2005 from Rs. 5450.25 Lacs in fiscal 2004 showing an increase of 3.63%. The increase is on account of increased consumption of raw material due to higher production.

Manufacturing, Selling, Administrative Expenses and Other Expenditure
Manufacturing, Selling, Administrative Expenses and Other Expenditure increased to Rs. 1158.82 Lacs in fiscal 2005 from Rs. 1106.08 Lacs in fiscal 2004 showing an increase of 4.77%. The increase in the expenses was mainly on account of higher wages and power fuel expenses. The expense as percentage of Turnover was 15.35% in fiscal 2005 compared to 17.95 % in fiscal 2004.

EBIDTA
EBIDTA as percentage of Turnover was 5.17% in fiscal 2005 compared to 0.14% in fiscal 2004. The increase in EBIDTA was on account of factors mentioned above. EBIDTA increased to Rs. 306.78 Lacs in fiscal 2005 from Rs. 9.05 Lacs in fiscal 2004 showing an increase of 3289.83%.

Depreciation
Depreciation expenses increased to Rs.104.10 Lacs in fiscal 2005 from Rs. 96.41 Lacs in fiscal 2004. For Fiscal 2005, we added gross block worth Rs. 6.91 Lacs mainly on account of addition in plant and machinery .

Interest
Interest expenses decreased to Rs. 88.05 Lacs in fiscal 2005 from Rs. 138.96 Lacs in fiscal 2004. The principal reason for this reduction was availability of low cost bearing funds from the govt. of West Bengal as part of the rehabilitation scheme. It includes interest amount paid on secured as well as unsecured loan. The loan outstanding (including both secured as well as unsecured loan) on 31st March, 2005 was Rs. 1623.44 Lacs which was Rs. 1823.67 Lacs as on 31st March, 2004. Interest charges as percentage of Turnover decreased to 1.2% in fiscal 2005 as compared to 2.14% in fiscal 2004.

PBT & Extraordinary Items
PBT increased to Rs. 144.3 Lacs in fiscal 2005 from Rs. (226.32) Lacs in fiscal 2004 showing a growth of 256.48%. The increase in PBT was on account of factors mentioned above.

Taxes
During the Financial year ended 2004 the company had a provision for tax of Rs 0.15 Lacs where in the financial year 2005 the company did not make any provision for tax as the company had accumulated losses.

PAT & Extraordinary Items
PAT decreased to Rs. 113.22 Lacs in fiscal 2005 from Rs. 1055.15 Lacs in fiscal 2004 showing a decrease of 89.27%. The PAT was higher in the fiscal 2005 due to wavier of Rs. 1284.87 Lacs of interest by company's banker as part of the BIFR approved Rehabilitation Scheme.

5. An analysis of reasons for the changes in significant items of income and expenditure is given below :

i. Unusual or infrequent events or transactions
The Company had entered into One Time Settlement (OTS) of its dues with its banks for its term loan and working capital dues. As part of the OTS, the banks waived past interest amounting to Rs.1284.87 lacs providing substantial relief in future interest cost and simultaneously reducing its liabilities to Banks.

ii. Significant economic changes that materially affected or are likely to affect income from continuing operations
There has been a turn around in the general market economic scenario, specially the Housing and Construction segment over last two years, which has resulted in significantly higher demand for the Company's products. The company's net worth had turned positive as on 31.3.2006 and accordingly the company was discharged from the purview of BIFR vide its order dated 18.07.2006.

iii. Known trends or uncertainties those have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations
The aluminium extrusions industry is cyclical in nature. In times of recession, the prices have shown significant decline affecting the industry's profitability severely. However, the Company has concentrated its efforts and has been successful in developing a large number of end-use customers, which would insulate the Company from price fluctuations in future.

iv. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future cost and sale prices will be determined by demand/supply situation, government policies and availability of raw material etc. and prices there of. The Company has been in existence for almost 20 years and the quality of Company's products is very well accepted by its customers. The Company has an efficient marketing network with offices at Chennai, Delhi, Hyderabad, Kanpur & Mumbai apart from Head Office at Kolkata. These factors provide sufficient cushion for unforeseen contingencies. The Company does not expect any major change in costs and revenues in near future.

v. Extent to which material increases in net sales or revenue is due to increased sales volume, introduction of new products or services or increased sales prices.

The company by and large links increases in revenues to increases in volume of business and introduction of new extruded products developed as per means of our old as well as new customers.

vi. Total turnover of each major Industry segment in which our Company operated our company operates in only one single segment, i.e., Aluminium Extrusions.

vii. Status of any publicly announced new products or business segment.

Except as stated under section titled Our Business in page No [*] of this Letter Of Offer, our Company has not announced any new product or segment.

viii. The extent to which the business is seasonal.

Our Company's business is not seasonal.

ix. Any significant dependence on a single or few suppliers or customers.

For the period ended December 31, 2007 our top five clients accounted for about 19% of sales. As such the company does not have any significant dependence on a single or a few customers. Currently we are procuring our raw materials viz, from National Aluminium Co. Ltd., Hindalco Industries Ltd. and Bharat Aluminium Co. Ltd., any delay in supplies may marginally affect the operations.

x. Competitive Conditions

The Aluminium Extrusions industry is extremely competitive. There is one primary producer viz Hindalco Industries Ltd who also produce extrusions and have a clear advantage being the producers of aluminium metal themselves. There is one large secondary aluminum manufacturer who contributes to between 30 to 40% of the total market for the industry and is in a position to influence the price in resale market in the country. There are several small extrusion manufacturers in unorganized segments, who mainly cater to the regional resale market.

The Company has an all India presence and has to face competition from all the segments. The Company's excellent product quality stands it in good stead, in face of the tough competitive environment.

F. LEGAL AND OTHER INFORMATION

I. OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

[A] OUTSTANDING LITIGATIONS INVOLVING ISSUER COMPANY

[1] Outstanding Litigations against the Company

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	Assistant Commissioner of Central Excise, Midnapore Division	Appeal against Order- in- Review No.06/Commissioner /Haldia/07-08 dt.04.05.07 of Commissioner of Central Excise, Haldia Commissionarate. Commissioner (Appeals)	Appeal against demand on account of shortage noticed on physical stock verification	Hearing completed Order awaited	3,07,332 + Interest + Penalty
2	Mr. Dhurandhar Misra	VIII – 104/04 First Industrial Tribunal, W.B.	Service terminated due to unauthorized habitual absenteeism	Hearings Being held	Reinstatement and Interim Relief

[2] Pending Litigations Filed by the company

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	M/s Agents Aluminium Co Ltd, Chennai	520 of 2000, High Court, Chennai	Amount not paid by the party for material supplied	Court ordered Winding Up but execution pending	40,00,000 (approx)
2.	M/s Agents Aluminium Co Ltd, Chennai	2774 of 2004, 8th Metropolitan Magistrate, Chennai	Cheque bounced	Non bailable warrants issue but directors absconding	50,000
3.	Gayathri Industries, Bangalore	371 of 2004 City Civil Court, Bangalore	Amount not paid by the party for material supplied	Next hearing on 18.02.2007	2,02,903
4.	Employees State Insurance Corporation	TC – 19 of 2004 at Employees Insurance Court W.B.	Case filed by the Company challenging the demand for the period 1999 to 2001, prior to the date of commencement of coverage under ESI.	Next hearing on 25.01.2008	2,75,643 + interest
5.	State Sales Tax	WB Commercial Appellate & Revisional Board	Revisions Petition against Appeal order for financial year 1995-96	Date of hearing awaited	36,432
6.	Central Sales Tax	WB Commercial Appellate & Revisional Board	Revisions Petition against Appeal order for financial year 1996-97	Date of hearing awaited	16,855
7.	State Sales Tax Central Sales Tax	WB Commercial Appellate & Revisional Board	Revisions Petition against Appeal order for financial year 1997-98	Date of hearing awaited	35,106 5,56,201

8.	State Sales Tax Central Sales Tax	Deputy Commisioner of Commercial Taxes	Appeal against Assessment order for financial year 2003 - 2004	Next hearing on 13.02.2008	9,21,112 12,86,751
9	State Sales Tax Central Sales Tax	Deputy Commissioner of Commercial Taxes	Appeal against Assessment order for financial year 2004 – 2005	Date of hearing awaited	6,91,238 14,50,492

[3] Amounts Owed to Small Scale Undertakings

a. The total dues outstanding to Small Scale Industrial Undertakings as at 31.12.2007, to the extent identified based on the available information, included under Current Liabilities is Rs 69.03 lacs (Previous Year 4.73 lacs). Outstanding exceeding Rs 1.00 lacs and more than 30 days as on 31.12.2007 to a Small Scale Industrial Undertaking is as below.

Name of the SSI undertaking	Amount (Rs. in lacs)
Khaitan Paper & Packaging Pvt. Ltd.	2.97
Century Aluminium Mfg. Co. Ltd.	62.11

b. None of the suppliers has informed the company of being registered under the Micro, Small and Medium Enterprises Development Act 2006 and therefore there is no information for submission under the said Act.

[B] OUTSTANDING LITIGATIONS INVOLVING GROUP COMPANIES

Case filed by Multi Metal Udyog:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Ansun Multitech (I) Ltd.	i) Addl. Chief Metropolitan Magistrate, New Delhi ii) High Court Delhi	Bouncing of Cheques U/S 138 of Negotiable Instruments Act and Winding up	Compromise Settlement entered with Party & High Court Order received for compromise settlement & under Implementation	Settlement Amount Rs. 125,50,000 & Outstanding Amount Rs. 115,50,000

Case filed against Multi Metal Udyog:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Excise & Taxation Officer, Zirakpur	Appeal No. 996 dated 24.9.2003 Dy. Excise & Taxation Commissioner	Truck detained by Sales Tax Authority, released against security deposit	Case remanded to ETO for fresh examination	1,76,000

Case filed by Jeco Exports & Finance Ltd.:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	The West Bengal Small Industrial Corp. Ltd.	A.P.O.T. No 503 of 2004 in the High Court Of Calcutta	Registration money paid for plot at Pagladanga Industrial Estate not refunded by W.B.S.I.C. Ltd.	Pending hearing in appeal	1,50,000

Cases filed by Kutir Udyog Kendra (I) Ltd.:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	State Sales Tax	Sales tax Tribunal	Appeal against Assessment Order of AC for Financial Year 2001-2002	Date of hearing awaited	75,882
2.	State Sales Tax	Sales tax Tribunal	Appeal against Assessment Order of AC for Financial Year 2001-2002	Date of hearing awaited	68,540
3.	State Sales Tax Central Sales Tax	Asst.Commissioner of Commercial Taxes- South Circle	Appeal against Assessment Order of CTO for Financial Year 2003-2004	Date of hearing awaited	9,10,422 65,17,906
4.	State Sales Tax Central Sales Tax	Asst.Commissioner of Commercial Taxes- South Circle	Appeal against Assessment Order of CTO for Financial Year 2004-2005	Hearing Date fixed on 16/02/2008	18,946 11,27,347
5.	Raju Singh Walia- Proprietor of Walia Road Carriers of India	Case No.C/787/06 u/s 156(3) of Criminal Procedure	Lost of way bills by the Transporter	Hearing Date fixed on 14/03/2008	3,25,000

Cases filed by Nandadevi Sales Agency:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	State Sales tax	West Bengal Commercial Taxes Appellate & Revisional Board	Case filed with West Bengal Commercial Taxes Appellate & Revisional board against rejection of appeal relating to FY 1998-99	Date of hearing awaited	Purchase tax - 1,43,017 Penalty - 25,000 Interest - 75,992
2.	State Sales tax Central Sales Tax	Deputy Commissioner of Commercial Taxes- Corporate Division	Appeal against Assessment Order of AC, Corporate Division for Financial Year 2004-2005	Hearing Date fixed on 12/02/2008	76,408 2,20,626

Cases filed by Century Aluminium Mfg. Co. Ltd.:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	State Sales Tax	D. C. of Commercial Taxes, South Circle	Appeal against Assessment Order for Financial Year 1995-96	Date of hearing awaited	78,504
2	State Sales Tax Central Sales Tax	D. C. of Commercial Taxes, Corporate Division	Appeal against Assessment Order of AC for Financial Year 2004-2005	Hearing date fixed on 22/02/2008	26,679 16,89,267
3	Dy. Commissioner of Income Tax	Commissioner of IncomeTax(Appeal)Central II,Kolkata	Appeal against Assessment Order of DCIT from Assessment Years 1999-2000 to 2005-06.	Hearing completed on 15/01/2008. Order awaited	32,72,259
4	Devkorp Automotive Pvt. Ltd.	Nayalal Srimaan M M Pancham, Kanpur Nagar	Bouncing of Cheques U/S 138 of Negotiable Instruments Act	Case pending	3,08,271
5	Commissioner of Customs, Nhava Sheva	C/187/101/NB(SM), High Court, Chandigarh	Claim for refund of excess redemption, fine, personal penalty, demurrage, ground rent and retention paid	Case pending	8,16,754
6	Excise & Taxation Commissioner , Haryana	CWP No. 18584 of 2003 High Court Chandigarh	Challenge of applicability of Haryana LADT Act	Case pending	**N.A.**
7	Excise & Taxation Commissioner , Haryana	Jt. Excise & Taxation Commissioner (A)	Assessing Authority has demanded tax under Haryana LADT Act for Rs.61,04,000/- & 152,26,400/- for the years 2001-02 and 2003-03	Case remanded to assessing authority for fresh assessments	61,04,000 & 152,26,400
8	Electroset Aqua Purifiers Ltd.	Distt. Consumer DR Forum Faridabad	R.O. System (Drinking water purifier) is not working properly	Case pending	45,600
9	United India Insurance Co. Ltd.	Distt. Consumer DR Forum Faridabad	Claim rejected by Insurance Co. for material misplaced in transit	Case pending	4,62,359
10	Ezy Slide Fastners Ltd. Vadodara	Civil Judge Senior Division, Faridabad	Bouncing of Cheques U/S 138 of Negotiable Instruments Act	Case filed on 15 01 2008	7,28,381
11	Ezy Slide Fastners Ltd. Vadodara	Civil Judge Senior Division, Faridabad	Bouncing of Cheques U/S 138 of Negotiable Instruments Act	Case filed on 15 01 2008	1,38,136

Cases filed against Century Century Aluminium Mfg. Co. Ltd.

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	SGM Trading Company	CJSD, Faridabad	Party has made a demand for payment for material not delivered	Case pending	58,240

Cases filed against Vintage Capital Markets Ltd.

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	Shatrughan Prasad Gupta	Money Suit 48/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	2,27,130
2	Moti Prasad	Money Suit 49/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	1,93,089
3	Jai Nath Thakur	Money Suit 51/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	2,16,494
4	Bhola Mishra	Money Suit 52/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	2,28,916
5	Md. Akhtar Ansari	Money Suit 47/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	2,30,069
6	Divikant Mishra	Money Suit 10/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	1,88,880
7	Ramanuj Yadav	Money Suit 4/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	1,88,876
8	Umesh Kumar Yadav	Money Suit 50/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	1,92,695

[D] OUTSTANDING LITIGATIONS AGAINST DIRECTORS/ PROMOTERS

Cases filed by Sri M P Jhunjhunwala:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Sri Sandeep Kumar Singhania and Others	Suit No. 290 of 1991 at Kolkata High Court	Specific Performance suit for execution of Sale deed against promoters of residential flat at No. 9 Pretoria Street, Kolkata - 700071	Case Pending	N.A.

Case filed against Sri M P Jhunjhunwala:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Official Liquidator, High Court, Madras	C A No. 1790 in C P No. 252 of 2001 at High Court, Madras	To take on record the final report of the Official Liquidator in the matter of winding up of Sangam Aluminium Ltd.	Hearing pending	N.A.

Case filed by Sri Vikram Jhunjhunwala:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Dy. Commissioner of Income Tax	Commissioner of IncomeTax (Appeal) Central II, Kolkata	Appeal against Assessment Order of DCIT for Assessment Years 1999-2000 to 2002-03 & 2005-06.	Appeal Under Hearing	28,38,326

Case filed against Sri Vikram Jhunjhunwala:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Official Liquidator, High Court, Madras	C A No. 1790 in C P No. 252 of 2001 at High Court, Madras	To take on record the final report of the Official Liquidator in the matter of winding up of Sangam Aluminium Ltd.	Hearing pending	N.A.

[E] Past cases in which Penalties have been imposed:

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

In March 2003, SEBI appointed M/s. G. P. Agarwal & Co., Chartered Accountants for the inspection of Books of Accounts of M/s Vintage Capital Markets Ltd., a Promoter Group Company of CEL. Pursuant to such inspection, a Warning Letter was issued to M/s Vintage Capital Markets Ltd by SEBI in January 2006 under Regulation 13(4) of SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002 .

[F] Litigations Post Filing of the Offer Document

The Company undertakes to incorporate the factual position in respect of any litigation against the Company or by the Company, its Group Companies and Promoters that may take place after filing the Letter of Offer with SEBI.

STATUTORY DUES

The Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Excise Duty, wealth Tax, Custom Duty, Service Tax, Cess, Investor Education and Protection fund, Employees' State Insurance and other Statutory dues applicable to it.

CONTINGENT LIABILITY NOT PROVIVED FOR:

a. Estimated amount of contracts (net of advance) remaining to be executed on Capital Account and not provided for as on 31st December 2007 is Rs 14.82 lacs (Previous year Rs 4.36 lacs).

b. Bank Guarantees outstanding Rs.109.16 lacs (previous year Rs.107.25 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 528.00 lacs (Previous year 521.85 lacs) against which Rs. 68.30 lacs (previous year Rs.64.60 lacs) have been deposited with the Banks as Margin Money.

c. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs 22.08 lacs and Rs.21.42 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 2003-2004 and 2004-2005 against which the Company has referred appeals before the higher authorities.

d. Bills discounted with banks Rs 189.18 lacs (previous year Rs. 176.54 lacs).

e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.108.81 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.

f. The Commercial Tax Officer has not allowed input tax credit under West Bengal Value Added Tax Act of Rs.0.51 lacs on account of sales tax paid on opening stock of stores and spares. The Company has preferred a revision application before the Deputy Commissioner, Commercial Taxes.

MATERIAL DEVELOPMET SINCE THE LAST BALANCE SHEET DATE

In the opinion of the Company there is no material development after the date of latest Balance Sheet that are likely to materially affect the performance and prospects of the company.

ADVERSE EVENTS

There are no adverse events affecting the operations of the company occurring within one year prior to the date of filing of the offer document with the Stock Exchange

II. GOVERNMENT APPROVALS / LICENCING ARRANGEMENTS

Sr. No	Act under which the license/approval is issued	Issuing Authority	Details of the license / approval
A. Approval from Central Government			
1	The Companies Act 1956	Regional Director Ministry of Company Affairs Govt of India	Approval u/s 297(1) for purchase of aluminium extrusions from Nanda Devi Sales Agency, an associate concern for the period 15.01.2007 to 31.03.2010
2	The Companies Act 1956	Regional Director Ministry of Company Affairs Govt of India	Approval u/s 297(1) for purchase of aluminium ingots from Nanda Devi Sales Agency, an associate concern for the period 14.07.2006 to 31.03.2009
3	The Companies Act 1956	Regional Director Ministry of Company Affairs Govt of India	Approval u/s 297(1) for sale of aluminium extrusions to Nanda Devi Sales Agency, an associate concern for the period 14.07.2006 to 31.03.2009
4	The Companies Act 1956	Regional Director Ministry of Company Affairs Govt of India	Approval u/s 297(1) for sale of aluminium extrusions to Alfa Aluminium Pvt Ltd., a concern in which one of the directors is interested as a director for the period 14.07.2006 to 31.03.2009

B. Approval from Central and state Tax Authorities			
1	Income Tax Act 1961, Sec 139 A	Income Tax Authority	PAN – AABCC1791N TAN – CALC03885A
2	West Bengal Value Added Tax Act 2003 Central Sales Tax Act, 1956	Commercial Taxes, Govt. of West Bengal, Kolkata Commercial Taxes, Govt. of West Bengal, Kolkata	RC No. 19433712060 RC No. 19433712254
3	Central Excise Rules 2002 under Rule IX	Central Board of Excise, Customs & Service Tax	Excise Reg No: AABCC1791NXM001 Service Tax Reg No: AABCC1791NST001
4	State Tax on Professions, Trades, Callings And Employments Acts	Profession Tax Officer, Calcutta, West Range Govt. of W.B. P.T.O. Midnapore Corporation of Chennai P.T.O Ramgopal Pet Secunderabad	I.E.C. No. ECW 4046986 R.C. No. RCW1329065 EC No. ECW 4046986 RC NO RWM 2401266 PTNAN: 05-070-PE-0134 RC No. BGT/04/01/PT/28/2007-08 EC No. BGT/04/01/PT/96/2007-08

C. Environmental Approvals			
1	West Bengal Pollution Control Board	West Bengal Pollution Control Board, Govt. of West Bengal	Consent No. 36398/C026225 Valid upto 31/12/2008
D. Labour Related Approvals			
1	Factories Act 1948	Directorate of Factories, Govt. of West Bengal	Factory License No. 12316
	Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Asst. P.F. Commissioner, West Bengal	Code No. WB/PRB/28271
2	Employees' State Insurance Act, 1948	Employees' State Insurance Corporation, Kolkata Employees' State Insurance Corporation, Kharagpur Employees' State Insurance Corporation, Chennai Employees' State Insurance Corporation, Mumbai Employees' State Insurance Corporation, Delhi	Code No. 41-28640-101 Code No. 41-37520-52 Code No. TN-41-28640-101 Code No. 35-41-28640-101 Code No. 41-28640-101/DL-378-C
3	Employees' Deposit Linked Insurance Scheme, 1976	Life Insurance Corporation of India	Group Insurance Master Policy No. EDIL/208255 in lieu of Employees' Deposit Linked Insurance Scheme
F. Quality Certifications			
1	ISO Certification 9001:2000	DNV Certification B.V. The Netherland	Certificate No. 02033-2005-AQBOM-RVA
G. Trademark Approvals			
1	Trademarks Act, 1999	Trade Marks Registry, Govt. of India, Mumbai	Trade Mark No.627599B 'CEL'

The new approvals / Licences etc required to be obtained in respect of Expansion Project:

Sr. No.	Approval/Consent	Concerned Authority	Status
1	Factory License	Inspector of Factories	Approval for expansion will be taken in due course
2	Central Excise	Central Excise Department	Same location, hence existing licence is sufficient.
3	Local Sales Tax	Sales Tax Department	Same location, hence existing licence is sufficient.
4	Central Sales Tax	Sales Tax Department	Same location, hence existing licence is sufficient.
5	Pollution Control	Pollution Control Board	Applied for
6	Power	West Bengal Electricity Distribution Company Limited	Applied for
7	Service Tax	Central Excise Department	Same location, hence existing licence is sufficient.
8	H.T Electric Installation	Chief Electric Inspector, Directorate of Electricity, Govt. of West Bengal	Will be applied in due course
9	D.G. Set Registration	Chief Electric Inspector, Directorate of Electricity, Govt. of West Bengal	Will be applied in due course

MAJOR AGREEMENTS ENTERED IN TO BY THE COMPANY:

The Company does not have any other Agreement as on the date of filing of this Letter of Offer other than those entered into in the ordinary course of business.

G. OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Present Issue:

The Rights issue has been authorized by the Board of Directors at its meeting held on 15th December, 2007. Further, the Equity Shareholders have approved the present rights issue in terms of Section 81(1A) of the Companies Act, 1956 vide special resolution passed at the Extra Ordinary Meeting of the Company held on 21st January, 2008.

Prohibition by SEBI

The Company, its Directors, its Promoters, any of the Company Associates or Group Companies with which the Directors of the Company are associated, as Directors or Promoters have not been prohibited from accessing the capital market under any order passed by SEBI.

Eligibility of the Issue:

The Company is an existing listed Company and it is eligible to offer this Rights Issue in terms of Clause 2.4.1 (iv) of the SEBI Guidelines**.**

DISCLAIMER CLAUSE

AS REQUIRED, A COPY OF THIS LETTER OF OFFER HAS BEEN SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI).

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THE LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED/ CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPOSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. THE LEAD MANAGER VC ORPORATE ADVISORS PRIVATE LIMITEDHAS CERTIFIED THAT THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE THE LEAD MANAGER VC ORPORATE ADVISORS PRIVATE LIMITEDHAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 30th JANUARY, 2008 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS MORE PARTICULARLY REFERRED TO IN THE ANNEXURE THERETO IN CONNECTION WITH THE FINALISATION OF THE LETTER OF OFFER PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY;

WE CONFIRM THAT:

a. THE LETTER OF OFFER FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS ETC., ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH;

c. THE DISCLOSURES MADE IN THE LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO INVESTMENT IN THE PROPOSED ISSUE; AND

d. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE LETTER OF OFFER ARE REGISTERED WITH SEBI AND TILL DATE SUCH REGISTRATION IS VALID

THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, VC ORPORATE ADVISORS PRIVATE LIMITEDANY IRREGULARITIES OR LAPSES IN THE LETTER OF OFFER."

DISCLAIMER

The Company and the Lead Manager to the issue accepts no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by the Company or by any other persons at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his own risk.

CAUTION

The Lead Manager and the Company shall make all information available to the Equity Shareholders and no selective or additional information would be available for a section of the Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of the Letter of Offer with SEBI. The Lead Manager and the Company shall update the Letter of Offer and keep the public informed of any material changes till the listing and trading commences.

Disclaimer with respect to Jurisdiction

This Letter of offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations hereunder. Any disputes arising out of this Issue will be subject to the jurisdiction of the appropriate court(s) in Kolkata, India only.

The distribution of the Letter of offer and the offering of securities on a rights basis to persons in certain jurisdictions outside India may be restricted by the legal requirements prevailing in those jurisdictions. Persons into whose possession the LOF may come are required to inform themselves about and observe such restrictions. Any disputes arising out of such issue will be subject to the jurisdiction of appropriate courts in Kolkata, India only.

No action, has been, or will be taken, to permit offering of these securities in any jurisdiction where action would be required for that purpose, except that the LOF has been filed with SEBI and SEBI has given its observations and that the Letter of offer would be filed with the relevant Stock Exchanges in India. Accordingly, the Equity Shares may not be offered or sold directly or indirectly, and the LOF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the LOF, nor any sale hereunder, shall under any circumstances create any implication that the affairs of the Company have remained unchanged since the date hereof or that the information herein is correct as of any
time subsequent to this date.

Disclaimer Clause of the BSE (the Designated Stock Exchange)

BSE ("the Exchange") has given vide its letter dated---------- permission to the Company to use the Exchange's name in this Letter of offer on which this Company's Securities are proposed to be listed. The Exchange has scrutinized this Letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

The Exchange does not in any manner:

(i) warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or

(ii) warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or

(iii) take any responsibility for the financial or other soundness of the Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this Letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

NSE has given vide its letter dated -----, 2008, permission to the Issuer to use its name in the Letter of Offer as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. NSE has scrutinized the Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission, given by NSE, should not in any way be deemed or construed that the Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify, or endorse the correctness or completeness of any of the contents of the Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management, or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

FILING

The Letter of Offer has been filed with SEBI, L&T Chambers, 16 Camac Street, Kolkata- 700 017. The Letter of Offer has been filed with the Designated Stock Exchange as per the requirements of the law. All the legal requirements applicable till the date of filing the Letter of Offer with the Stock Exchanges have been complied with. The Company is registered at the Registrar of Companies, West Bengal located at Nizam Palace, IInd MSO Building, 2nd Floor, 234/4, A.J.C.Bose Road , Kolkata 700 020 India

DESIGNATED STOCK EXCHANGE

The designated stock exchange for the purpose of the issue is BSE.

LISTING

The existing Equity Shares are listed on BSE (Designated Stock Exchange) and NSE. The Company has made application to BSE and NSE for permission to deal in and for an official quotation in respect of the securities being offered in terms of this Letter of offer vide letter dated ------------------. The Company has received in-principle approval from BSE and NSE vide letters dated -------- & ------------ respectively.

If the permission to deal in and for an official quotation of the securities is not granted by the Designated Stock Exchange mentioned above, within six weeks from the Issue Closing Date, the Company shall forthwith repay, without interest, all monies received from applicants in pursuance of this Letter of Offer. If such money is not paid within eight days after the Company becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the Section 73 of the Act.

Consents

The written consents of Promoters, Directors, Auditors, Lead Managers to the Issue, Registrars to the Issue, Legal Advisor and Bankers to the Company to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of the Letter of offer with the Stock Exchanges.

The Auditors of the Company have given their written consent for inclusion of their report in the form and content appearing in this Letter of offer and such consent and report have not been withdrawn up to the time of delivery of the Letter of offer to the Stock Exchange.

The Auditors of the Company have given their written consent for inclusion of income tax benefits in the form and content appearing in this Letter of Offer, accruing to the Company and its members.

To the best of our knowledge, there are no other consents required for making this Rights Issue. However, should the need arise, necessary consents shall be obtained by us.

Expert Opinion

The Company has not obtained any expert opinion apart from whatever is already mentioned in this Letter of Offer.

Expenses of the Issue

The expenses of the Rights Issue payable by the Company inclusive of brokerage, fees payable to the Lead Manager to the Issue, Registrar to the Issue, printing, publication, advertising and distribution expenses, bank charges, listing fees and other miscellaneous expenses of approximately Rs.25 Lacs and will be met out of the internal accruals of the company. The breakup of the expenses are detailed as below:

Sl No.	Particulars	Rs. in Lacs	% of total issue expenses	% of total issue size
1	Lead Manager Fees	10.00	40.00%	0.76%
2	Registrar Fees, Auditors fees, Legal Advisors Fees,	1.50	6.00%	0.11%
3	Printing ,Stationary and postage Expenses	10.00	40.00%	0.76%
4	Bank and other charges	1.00	4.00%	0.07%
5	Advertisement, Travel and Other Miscellaneous Expenses	2.50	10.00%	0.19%
	Total	**25.00**	**100%**	**1.89%**

Underwriting Commission, Brokerage and Selling Commission

The Rights Issue has not been underwritten. No fee under this head is payable.

Previous Public or Rights Issues during the last 5 years.

CEL has made Rights issue in the year of 2005, details of which is as under :

i.	Closing Date	:	14th October, 2005
ii.	Date of Allotment	:	11th November, 2005
iii.	Date of Refunds	:	11th November, 2005
iv.	Date of listing of the Stock Exchanges	:	BSE & NSE - 17.11.2005
v.	Premium Amount	:	Nil

vi. The amount paid or payable by way of premium, if any, on each share which had been issued within the two years preceding the date of the prospectus or is to be issued, stating the dates or proposed dates of issue and, where some shares have been or are to be issued at a premium and other shares of the same class at a lower premium, or at par or at a discount, the reasons for the differentiation and how any premiums received have been or are to be disposed of. N.A

Previous issues of shares otherwise than for cash.

There have been no allotments in past which are for consideration other than cash except allotment made:

- On 27/02/1995 5,32,025 Equity Shares of Rs. 10/- each in terms of one-time settlement of dues with IDBI and ICICI
- On 27/03/1995 1,99,121 Equity Shares of Rs. 10/- each in terms of one-time settlement of dues with IFCI

Commission or Brokerage on previous Issues

The Company has made Rights Issue in the year of 2005 and no commission or brokerage has been paid on that issue.

Particulars in regard to the Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Companies Act, 1956, which made any capital issue during the last three years.

CEL has made Rights issue in the year of 2005, details of which is as under :

i.	Name of the Company	:	Century Extrusions Limited
ii.	Year of Issue	:	2005
iii.	Type of Issue	:	Rights Issue
iv.	Amount of Issue	:	350 Lacs
v.	Date of Closure of Issue	:	14th October, 2005
vi.	Date of Completion of delivery of Share Certificates	:	11th November, 2005
vii.	Date of completion of the project	:	N. A.
viii.	Rate of Dividend paid	:	Nil

The other Companies under the same management have not made capital Issue in last three years.

PROMISES VS. PERFORMANCE :

CEL made its maiden public issue in the year 1991.The issue comprised of 35,60,000 equity shares of Rs. 10/- each for cash at par aggregating Rs.356 Lacs.

Object of the issue: The issue was made with the object of raising a part of finance required for setting up a project for the manufacture of 7000 MT per annum of Aluminium Extruded products at WBIIDC industrial growth centre, dist. Midnapur, West Bengal and for meeting the public issue expenses. The Object of the issue as stated had been successfully achieved. No Projections were made in the offer document.

CEL subsequently made right issue in the year 1992. The issue comprised of 20,19,700 equity shares of Rs. 10/-each for cash at par aggregating Rs.201.97 Lacs.

Object of the issue: The issue was made with the object of raising resources to augment long term resources and increased working capital requirements and to repay the unsecured loans brought by the promoters and to meet the right issue expenses. The Object of the issue as stated had been successfully achieved. The Projections made in the offer document and actual performance achieved by the company are stated herein as below:

	1992-93		1993-94		1994-95		1995-96	
Particulars	Projection	Actual	Projection	Actual	Projection	Actual	Projection	Actual
Capacity Utilisation	55%	33%	80%	43%	85%	58%	85%	79%
								(Rs. Lacs)
Turnover	2229.52	1699.75	3189.42	2277.16	3439.40	3891.19	3451.00	4603.42
Gross Profit before								
Interest and Depreciation	243.22	42.24	367.97	76.24	399.50	578.54	400.22	566.24
Interest	180.65	181.18	198.27	198.17	192.31	127.58	175.73	151.61
Depreciation	52.97	60.93	74.77	70.03	74.77	74.52	74.77	83.62
Profit Before Tax	9.60	(199.87)	94.93	(191.96)	132.42	376.44	149.72	331.01
Income Tax	-	-	-	-	-	-	-	-
Net Profit	9.60	(199.87)	94.93	(191.96)	132.42	376.44	149.72	331.01
Equity	615.52	602.64	615.52	601.98	615.52	675.10	615.52	775.10
Reserves	(136.61)	(346.08)	(41.68)	(536.77)	90.74	74.26	240.46	392.08
Earning Per Share	0.15	(4.10)	1.54	(3.19)	2.15	6.20	3.58	4.36
Dividend	-	-	-	-	-	-	10%	15%

1992 – 93

In the year 1992 – 93, the supply potential for Aluminium Extrusions was more than the demand and therefore, there was extreme competition resulting severe pressure on the margins. It was difficult for the Company to accept orders at a loss and therefore, the Company could not meet its projection of 55% capacity utilization. The actual capacity utilization was only 33% and the Company incurred a loss of Rs.199.87 lacs against the projection of a net profit of Rs.9.60 lacs.

1993 – 94

The situation of supply potential for Aluminium Extrusions being more than the demand continued in the year 1993 – 94. In spite of extremely adverse market, the Company increased its market share from 2303MT in 1992 – 93 to 3206MT in 1993 – 94. The actual capacity utilization was 43% against projection of 80%. The Company incurred a loss of Rs.191.96 lacs against the projection of Net Profit of Rs.94.93 lacs

1994 – 95

There was a serious shortage of raw material and the prices of raw material shot up significantly. However, due to the shortage in raw material supply, the extrusions market became buoyant and the Company could pass on the entire increase in raw material price as well as realized a higher value addition. Although the Company could not achieve the projected capacity utilization of 85% and achieved the capacity utilization of only 58%, the sale in value terms was Rs.3891 lacs as against projection of Rs.3439 lacs. Further, the Company earned a net profit of Rs.376 lacs against the projection of Rs.132 lacs thus surpassing the projection significantly.

1995 – 96

The Company achieved a capacity utilization of 79% against projection of 85%. The capacity utilization was lower due to a 'go-slow' by the workers and consequent declaration of lockout by the management on 14.02.1996 which lasted for 18 days causing significant production loss. The market conditions were quite favourable and the Company achieved a sales turnover of Rs.4603 lacs against projection of Rs.3451 lacs. The net profit was also significantly higher at Rs.331.01 lacs against projection of Rs.149.72 lacs. Further, the Company declared a dividend of 15% against projection of 10%.

CEL again made right issue in the year 2005. The issue comprised of 3,50,00,000 equity shares of Re. 1/-each for cash at par aggregating Rs.350 Lacs.

Object of the issue: The issue was made in compliance of the order of BIFR dt.27.08.2003 to make part repayment of existing dues, to meet capital investment for modernization and to meet the normal working capital requirements. The Object of the issue as stated had been successfully achieved. No projections were made in the Offer document.

Listed ventures of Promoters

Our Group Company **Vintage Securities Limited (VSL)** is an existing listed company. Currently. The equity shares of VSL are listed at Calcutta Stock Exchange and Bombay Stock Exchange. The company came out with its first public issue in 1995. The public issue details were as follow:

Year	1995
Type of the Issue	Public issue
Amounts of the Issue	30,00,000 equity shares of Rs. 10/- each at par aggregating to Rs. 300 Lacs.
Object of the Issue:	To Part finance the company's business of consumer finance, money market operations, bill discounting and investment in shares and securities and to meet the public issue expenses. The Objects of the issue were successfully achieved.

Promise vis-à-vis Performance:

The promise vs performance for the issue made by VSL is as under:

Particulars	1994-95			1995-96			1996-97		
	Projected	Actual	Difference	Projected	Actual	Difference	Projected	Actual	Difference
Total Income	6.46	33.31	26.85	132.78	256.29	123.51	190.20	53.65	(136.55)
PBDIT	4.43	5.22	0.79	113.26	12.76	(100.50)	168.91	19.75	(149.16)
Net Profit	2.00	3.70	1.70	63.90	2.90	(61.00)	83.39	8.07	(75.32)
Dividend (%)	0.00	0.00	0.00	12.00	0.00	(12.00)	15.00	0.00	(15.00)
EPS	0.72	1.13	0.41	1.88	0.10	(1.78)	2.08	0.20	(1.88)

1994-95

This was the first period of operation for the Company. The level of operation was very low and the Company achieved profit before tax of Rs.5.15 lacs as against projection of Rs.4.38 lacs.

1995 – 96

The Company could not achieve its projection with regard to income from investment in shares as the capital market had experienced continued down fall during the year. The Company also did not get opportunities for undertaking Corporate Advisory and Software Consultancy services and as such, the Company could not earn the projected revenue from those activities.

1996 – 97

The Company could not achieve its projections with regard to income from investment in shares as the capital market was not stable. Further, the Company could not get opportunities to undertake Corporate Advisory and Software Consultancy Services. Hence, there was not income from these two activities.

JECO Exports and Finance Limited (JECO), another listed venture of the promoter group is listed at CSE and UPSE. JECO made its last right issue in the year 1994.The issue comprised of 4,94,000 equity shares of Rs. 10/- each for cash at par aggregating Rs.49.40Lacs.

Object of the issue: The issue was made with the object of raising resources to meet the long term working capital requirement of the company. The Object of the issue as stated had been successfully achieved. No Projections were made in the offer document. The equity shares of the JECO was last traded on CSE on 08.08.2001 at Rs. 3.10 per share.

Outstanding Bonds/Debentures and redeemable preference shares and other instruments issued by the issuer company outstanding as on the date of letter of offer and terms of the issue:

There are no outstanding debentures or bonds or redeemable preference shares or any other instruments issued by the issuer company outstanding as on the date of Letter of Offer.

STOCK MARKET DATA

The Company's shares are listed on BSE and NSE. The shares are actively traded on BSE and NSE. The high and low closing prices recorded on BSE and NSE for the preceding three years and the number of shares traded on the days the high and low prices were recorded are stated below:

The Ordinary Shares of the Company are actively traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited

i. The following is the movement in the share price of the Company on the BSE:

Year	High			Low			Average Price (Rs.)
	Date	Rs.	Volume	Date	Rs.	Volume	
2007	31.12.2007	16.39	906133	01.03.2007	2.63	29685	8.56
2006	11.05.2006	5.89	477585	28.03.2006	2.14	19006	3.46
17.08.2005* to 31.12.2005	02.09.2005	10.26	264630	21.12.2005	2.85	73721	5.55
01.01.2005 to 16.08.2005	16.06.2005	14.65	258486	22.03.2005	6.80	9403	10.30

*indicates the date when the shares of the company were made ex-right.

ii. The following is the movement in the share price of the Company on the NSE:

Year	High			Low			Average Price (Rs.)
	Date	Rs.	Volume	Date	Rs.	Volume	
2007	31.21.2007	16.15	126695	30.3.2007	2.80	57075	8.06
2006	11.05.2006	5.90	473718	26.09.2006	2.40	17296	3.38
17.08.2005* to 31.12.2005	02.09.2005	10.90	207645	01.12.2005	2.75	70321	5.71
01.01.2005 to 16.08.2005	16.08.2005	13.55	183381	24.03.2005	5.80	21601	9.87

*indicates the date when the shares of the company were made ex-right.

iii. The total volume of securities traded in each month during the preceding six months on BSE and NSE are as follows:

BSE	**Details of High Price**			**Details of Low Price**			
Month	**Rs.**	**Date**	**Volume**	**Rs.**	**Date**	**Volume**	**Total Volume**
July	4.90	19.07.2007	204144	3.07	02.07.2007	6738	2616996
August	4.79	17.08.2007	99817	3.75	06.08.2007	24671	1369452
September	5.39	19.09.2007	128768	3.80	06.09.2007	23165	1313949
October	4.95	23.10.2007	68160	3.80	22.10.2007	59040	1567928
November	10.29	20.11.2007	1469860	3.50	08.11.2007	74265	6801240
December	16.39	31.12.2007	906133	8.01	03.12.2007	214768	14648619

NSE	Details of High Price			Details of Low Price			
Month	**Rs.**	**Date**	**Volume**	**Rs.**	**Date**	**Volume**	**Total Volume**
July	4.95	17.07.2007	39612	3.10	02.07.2007	12048	1676073
August	5.20	17.08.2007	121238	3.30	10.8.2007	32533	1134641
September	4.95	28.09.2007	97130	3.80	03.09.2007	30000	1183483
October	4.60	03.10.2007	88761	3.75	19.10.2007	58899	1405301
November	10.40	20.11.2007	719141	3.75	8.11.2007	17279	6763038
December	16.15	31.12.2007	126695	8.00	3.12.2007	292995	10480979

iv. Weekend price of equity Shares of the Company on the BSE and the NSE appear as under:

BSE

Week ended	Highest Price during the week (Rs.)	Lowest Price during the week (Rs.)	Average price for the period (Rs.)
28 December 2007	14.88	12.23	14.55
4 January 2007	18.95	15.35	17.30
11 January 2008	17.00	13.25	14.65
18 January 2008	12.60	10.45	11.95

NSE

Week ended	Highest Price during the week (Rs.)	Lowest Price during the week (Rs.)	Average price for the period (Rs.)
28 December 2007	15.35	11.95	14.13
4 January 2007	18.65	15.00	17.18
11 January 2008	16.40	12.90	14.72
18 January 2008	12.70	10.80	11.86

The market price of the equity shares of the Company as on December 17, 2007, being trading day, after the date December, 15 2007 on which the resolution of the Board of Directors approving the issue was passed was Rs. 12.29 on BSE and Rs. 11.95 on NSE.

Disclosure on Investor Grievances and Redressal System of CEL

Our Company has constituted a Shareholders Grievance Committee to look into the redressal of shareholder/ investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc.
For further details on this committee, please refer under the head 'Corporate Governance' on page [*] of this Letter of Offer. To expedite the process of share transfer, our Company has MCS Limited as the Registrar and Share Transfer Agents of our Company.

Disposal of Investors' Grievances and Redressal Mechanism

We have appointed MCS Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with our Compliance officer. All grievances relating to the present issue may be addressed to the Registrar with a copy to the Compliance officer, giving full details such as name, address of the applicant, number of equity shares applied for, amount paid on application and bank and Branch. We will monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.
A fortnightly status report of the complaints received and redressed by the Registrar to the Issue would be forwarded to us. We would also coordinate with the Registrar to the Issue in attending to the investors' grievances. We assure that any complaints received, shall be disposed off as per the following schedule:

Sr. No.	Nature of Complaint	Time Table
1	Non Receipt of Refund	Within 7 days of receipt of complaint subject to production of satisfactory evidence
2	Non Receipt of Share Certificates	Within 7 days of receipt of complaint subject to production of satisfactory evidence
3	Transfer of shares	Within 30 days
4	Change of Address Notification	Within 7 days of receipt of information
5	Any other complaint in relation to Rights Issue	Within 7 days of receipt of complaints with all relevant details.

Redressal of investor's grievance is given top priority by the Company. The concerned Director of the Company oversees redressal of complaints of Shareholders / investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as indicated above.

Disclosure on Investor Grievances and Redressal System of the Listed Group Companies

VINTAGE SECURITIES LIMITED

Upon cessation of Mr. J. K. Malpani from directorship of the Company w.e.f 20th April 2007, the shareholders/ Investors Grievance Committee was reconstituted on 20th April 2007 and now comprises of Mr B. L. Rathi- Promoter and Non-executive Director & R. K.Saraogi- Non-executive independent Director. Mr. Rahul Mitra, Company Secretary acts as the compliance officer. M/s Niche Technologies (p) Ltd is the Registrar and share Transfer Agent. The Company received 4 complaints during the year, which were attended and disposed off properly. There was no complaint pending for reply as on 31.03.2007.

JECO EXPORTS & FINANCE LTD.

M/s Niche Technologies (p) Ltd , D-511, Bagree Market , 71, B.R.B.Basu Road, Kolkata-700 001 is acting as Registrar and share transfer agent of the Company and looks after the overall share transfer work and investor's complaints under the supervision of directors.

Changes in the Auditors in the last three years

There has been no change in Auditors in the last three years. However, the name of existing Auditors has been changed from "Khetawat & Associates" to "A L P S & Co." w.e.f. 1st June 2007.

Capitalization of Reserves or profits (during last Five Years)

There is no capitalization of reserves/profits during the last five years.

Revaluation of Assets, if any (during last five years)

There is no revaluation of assets carried out during the last five years.

H. OFFERING INFORMATION

Terms of the Issue

The Equity Shares proposed to be issued on rights basis are subject to the terms and conditions contained in this Letter of Offer, the enclosed Composite Application Form ("CAF"), the Memorandum and Articles of Association of the Company, the provisions of the Companies Act, approvals from RBI, guidelines issued by SEBI, approvals from the stock exchanges where equity shares of the Company are listed, FEMA guidelines, notifications and regulations for issue of capital and for listing of securities and/ or other statutory authorities and bodies from time to time, the terms and conditions as stipulated in the allotment advice or letter of allotment or security certificate, the provisions of the Depositories Act, to the extent applicable, and any other legislative enactments and rules as may be applicable and introduced from time to time

Ranking of the Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company

Mode of payment of Dividend

The dividend will be paid to all the eligible shareholders in terms of the provisions of the Act and Articles of Association with regard to payment of dividend. The unclaimed dividend will be transferred to Investor Protection Fund as prescribed under the Act.

Face Value

Each Equity Share shall have the face value of Re. 1/- each.

Issue Price

Each Equity Share is being offered at a price of Rs. 4/-(including a premium of Rs. 3/-).

Premium

The Equity Shares of Rs.1/- each are being issued at a premium of Rs. 3/- per share.

Rights of the Equity Shareholders

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers, unless prohibited by law
- Right to vote on a poll either in person or by proxy
- Right to receive offers for rights shares and be allotted bonus shares, if announced
- Right to receive surplus on liquidation
- Right of free transferability and
- Such other rights, as may be available to a shareholder of a listed public company under the Act or any other applicable law from time to time and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Company's Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, see "Description of Equity Shares and Terms of Articles of Association" on page ----- in this Letter of Offer.

Market Lot

The market lot for the Equity Share is 1. In case of physical certificates, the Company would issue one share certificate to a single Shareholder.

Nomination facility to the Investors

Nomination facility

In terms of Section 109A of the Act, nomination facility is available in case of Equity Shares. The applicant can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

The sole Equity Shareholder or first Equity Shareholder, along with other joint Equity Shareholders (being individual(s) may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. Person(s), being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Equity Shareholder(s), shall be entitled to the same rights to which he would be entitled if he/she were the registered holder of the Equity Shares. Where the nominee is a minor, the Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale/disposal of the Equity Share by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When two or more persons hold the Equity Share(s), the nominee shall become entitled to receive the shares only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at the Registered Office of the Company located at "113, Park Street, 'N' Block , 2nd Floor, Kolkata- 700 016, West Bengal, India" or such other place at such addresses as may be notified by the Company. The applicant can make the nomination by filling in the relevant portion in the CAF.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder has already registered the nomination with the Company, no further information needs to be made for the Equity Shares to be allotted in the issue under the same folio.

In case the allotment of equity shares is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in the Rights Issue. Nominations registered with respective Depository Participant of the applicant would prevail. If the applicants wish to change the nomination, they are requested to inform their respective Depository Participants.

Minimum Subscription

If the Company does not receive the minimum subscription of 90% of the Rights Issue, the entire subscription shall be refunded to the applicants within forty-two days from the date of closure of the Issue. If there is a delay in the refund of subscription by more than 8 days after the Company becomes liable to repay the subscription amount, (i.e. forty two days after closure of the Issue), the Company will pay interest for the delayed period, at prescribed rates in sub-section (2) and (2A) of Section 73 of the Act. This Rights Issue will become under subscribed after considering the number of Equity Shares applied as per entitlement plus additional Equity Shares.

The Promoters/ promoter group shall subscribe to such under subscribed portion as per the relevant provisions of the law. The undersubscribed portion shall be applied for only after the close of the Issue.
If any person presently in control of the Company desires to subscribe to such under subscribed portion and if disclosure is made pursuant to SEBI (SAST) Regulations, such allotment of the under subscribed portion will be governed by the provisions of the SEBI (SAST) Regulations. Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with Clause 40A of the Listing Agreement.

The above is subject to the terms mentioned under the "Basis of Allotment".

Arrangements for disposal of Odd Lots

Since under the demat mode, the trading lot is of one share, we are not making any arrangement for disposal of odd lot**.**

Restriction on Transfer and Transmission of Shares

Nothing contained in the Articles of Association of the Company shall prejudice any power of the Company to refuse to register the transfer of share.

No fee shall be charged for sub-division and consolidation of share certificates (physical form), debenture certificates and detachable warrants and for sub-division of letters of allotment and split, consideration, renewal and pucca transfer receipts into denomination corresponding to the market units of trading.

Rights Entitlement

The Equity Shares are being offered on rights basis to the existing Equity Shareholders of the company in the ratio of 33 (Thirty Three) Equity Share for every 47(Forty Seven) Equity Shares held as on the record date i.e. [*].

Fractional Entitlement

On applying the Rights ratio, the rights entitlement may contain certain fractional entitlements, in such case the fractional rights entitlement will be rounded off to the nearest integer. The resulting shortfall in allotment of shares, if any, shall be adjusted against the entitlement of the promoters.

Printing Of Bank Particulars On Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the applicant's bank account are mandatory for printing on the refund orders. Bank account particulars will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. The Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Offer to Non-Resident Equity Shareholders / Applicants

Applications received from NRIs and other NRI shareholders for allotment of Equity Shares shall be, inter alia, subject to the conditions imposed from time to time by RBI under the FEMA in the matter of refund of application moneys, allotment of Equity Shares, issue of Letter of Allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to apply shares offered on rights basis by an Indian Company in terms of FEMA and the rules and regulations there under.

The Equity Shares issued under the Rights Issue and purchased by NRI shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the previously held Equity Shares against which Equity Shares under the Rights Issue are issued.

As per the Provisions of AP DIR Circular No. 14 dated September 16, 2003 (Issued by RBI), such Equity Shareholders who have been allotted equity shares as OCBs, would not be permitted to participate in the issue. Accordingly the Shareholders/ applicants who are OCBs and wishing to participate in the issue would be required to submit the approval in relation thereto from FIPB and RBI.

The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, payment of dividend etc. to the Equity Shareholders who are NRI.

Notices

All notices to the Equity Shareholder(s) required to be given by the Company shall be published in one English national daily with wide circulation, one Hindi national daily with wide circulation and regional language daily where the Registered office of the company is situated and/or, will be sent by ordinary post to the registered holders of the Equity Share(s) from time to time.

Issue of Duplicate Equity Share Certificate

If any Equity Share Certificate(s) is/are mutilated or defaced or the pages for recording transfers of Equity Shares are fully utilized, the Company against the surrender of such Certificate(s) may replace the same, provided that the same will be replaced as aforesaid only if the Certificate numbers and the Distinctive numbers are legible. If any Equity Share Certificate(s) is/are destroyed, stolen, lost or misplaced, then upon production of proof thereof to the satisfaction of the Company and upon furnishing such indemnity/ surety and/or such other documents as the Company may deem adequate, duplicate Equity Share Certificate(s) shall be issued.

ISSUE PROCEDURE

Principal Terms and Conditions of the Issue

The Equity Shares are being offered for subscription for cash to those existing Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the Register of Members of the Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date [*] fixed in consultation with the Designated Stock Exchange.

The Equity Shares are being offered for subscription in the ratio of 33 (Thirty Three) Equity Share for every 47 (Forty Seven) Equity Shares held by the Equity Shareholders.

Terms of payment

The entire amount of Rs. 4/- per share is payable on application by all shareholders.

Ranking of the Equity Shares

The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

Option available to the Equity Shareholders

The Composite Application Form (CAF) clearly indicates the number of Equity Shares that the Equity Shareholder is entitled to.

The Equity Shareholders will be having the following options:

Apply for his entitlement in part

Apply for his entitlement in part and renounce the other part

Apply for his entitlement in full

Apply for his entitlement in full and also apply for additional Equity Shares

Renounce his entitlement in full.

Renouncees for Equity Shares can apply for the Equity Shares renounced to them and also apply for additional Equity Shares.

Applicants to the Equity Shares of the Company issued through the Rights Issue shall have an option either to receive security certificates or to hold the securities in dematerialized form with a Depository.

Offer to Non-Resident Equity Shareholders / Applicants

Applications received from NRIs and other NRI shareholders for allotment of Equity Shares shall be, inter alia, subject to the conditions imposed from time to time by RBI under the FEMA in the matter of refund of application moneys, allotment of Equity Shares, issue of Letter of Allotment / share certificates, payment of interest, dividends, etc. General permission has been granted to any person resident outside India to apply shares offered on rights basis by an Indian Company in terms of FEMA and the rules and regulations there under.

The Equity Shares issued under the Rights Issue and purchased by NRI shall be subject to the same conditions including restrictions in regard to the repatriability as are applicable to the previously held Equity Shares against which Equity Shares under the Rights Issue are issued.

As per the Provisions of AP DIR Circular No. 14 dated September 16, 2003 (Issued by RBI), such Equity Shareholders who have been allotted equity shares as OCBs, would not be permitted to participate in the issue. Accordingly the Shareholders/ applicants who are OCBs and wishing to participate in the issue would be required to submit the approval in relation thereto from FIPB and RBI.

The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Equity Shares, payment of dividend etc. to the Equity Shareholders who are NRI.

How to Apply

Resident Equity Shareholders

Application should be made only on the enclosed CAF provided by the Company. The enclosed CAF should be completed in all respects, as explained in the instructions indicated in the CAF. Applications will not be accepted by the Lead Manager or by the Registrar to the Issue or by the Company at any offices except in the case of postal applications as per instructions given in the Letter of Offer.

Non-Resident Equity Shareholders

Applications received from the Non-Resident Equity Shareholders for the allotment of Equity Shares shall, interalia, be subject to the conditions as may be imposed from time to time by the Reserve Bank of India, in the matter of Refund of application moneys, allotment of Equity Shares, issue of Letters of Allotment/ certificates/ payment of dividends etc.

The CAF consists of four parts:

Part A: Form for accepting the Equity Shares offered and for applying for additional Equity Shares

Part B: Form for renunciation

Part C: Form for application for Renouncee.

Part D: Form for request for Split Application Forms

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the applicant who should furnish the Registered Folio Number/ DP and Client ID No. and his / her full name and address to the Registrar to the Issue. Please note that those who are making the application in the duplicate form should not use the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the applicant violates any of these requirements, he/ she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications.

Application on Plain Paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Rights Issue on plain paper, along with an Account Payee Cheque drawn on a local bank at Kolkata/ Demand Draft payable at Kolkata (net of demand draft charges and postal charges) which should be drawn in favour of the Company and send the same by registered post directly to the Registrar to the Issue.

The application on plain paper, duly signed by the applicants including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue before the Date of Closure of the Issue and should contain the following particulars:

- Name of Issuer
- Name and address of the Equity Shareholder including joint holders
- Registered Folio Number/ DP and Client ID No.
- Number of Equity Shares held as on Record Date
- Number of Rights Equity Shares entitled
- Number of Rights Equity Shares applied for

- Number of additional Equity Shares applied for, if any
- Total number of Equity Shares applied for
- Total amount paid per Equity Share
- Particulars of Cheque/ Draft
- Savings/Current Account Number and name and address of the bank where the Equity Shareholder will be depositing the refund order PAN/GIR number and Income Tax Circle/Ward/District where the application is for Equity Shares and for each applicant in case of joint names, and
- Signature of Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company.

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their Rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications.

Mode of Payment
Payments in such cases, should be through a cheque/ demand draft payable at Kolkata to be drawn in favour of the Bankers to the Issue marked "A/c Payee" and marked **"Century Extrusions Limited - Rights Issue "**

Acceptance of the Rights Issue

You may accept the Offer and apply for Equity Shares offered, either in full or in part by filling Block III of Part "A" of the enclosed CAF and submit the same along with the application money payable to the "Bankers to the Issue" or any of the branches as mentioned on the reverse of the CAF before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board thereof in this regard. Applicants at centers not covered by the branches of collecting banks can send their CAF together with the cheque drawn on a local bank at Kolkata /demand draft payable at Kolkata (net of demand draft charges and postal charges) to the Registrar to the Issue at MCS Ltd., 77/2A, Hazra Road, Kolkata-700 029, by registered post.

Renunciation

As an Equity Shareholder, you have the right to renounce your entitlement for the Equity Shares in full or in part in favour of one or more person(s). Your attention is drawn to the fact that the Company shall not allot and/or register any Equity Shares in favour of:

- More than three persons including joint holders
- Partnership firm(s) or their nominee(s)
- Minors
- Hindu Undivided Family
- Any Trust or Society (unless the same is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its Constitutions to hold Equity Shares of a Company)

The right of renunciation is subject to the express condition that the Board/ Committee of Directors shall be entitled in its absolute discretion to reject the request for allotment to renouncee(s) without assigning any reason thereof.

Any renunciation from Resident Indian Shareholder(s) to Non–Resident Indian or from Non-Resident Indian Shareholder(s) to other Non-Resident Indians(s) is subject to Prevailing RBI Guidelines.

By virtue of circular No 14 dated September 16,2003 issued by RBI, Overseas Corporate Bodies ('OCBs") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (withdrawal of General Permission to Overseas Corporate Bodies (OCB) Regulation, 2003. Accordingly the existing Shareholders of the company who do not wish to subscribe to the equity shares being offered but wish to renounce the same in favour of renouncees shall not renounce the same (whether for consideration or otherwise) in favour of OCBs.

Procedure for Renunciation

To renounce the whole offer in favour of one renouncee

If you wish to renounce the offer indicated in Part A in whole, please complete Part B of the CAF. In case of joint holding, all joint holders must sign Part B of the CAF. The person in whose favour renunciation has been made should complete and sign Part C of the CAF. In case of joint renouncees, all joint renouncees, must sign this part of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either accept this offer in part and renounce the balance or renounce the entire offer in favour of two or more renouncees, the CAF must be first split into requisite number of forms.

Please indicate your requirement of split forms in the space provided for this purpose in Part D of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for split forms. On receipt of the required number of split forms from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Equity Shareholder(s), who has renounced the Equity Shares, does not agree with the specimen registered with the Company, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part C of the Application Form and submit the entire Application Form to the Bankers to the Issue on or before the Issue Closing Date along with the application money.

Change and/ or introduction of additional holders

If you wish to apply for Equity Shares jointly with any other person or persons, not more than three, who is/are not already joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors of the Company shall be entitled in its absolute discretion to reject the request for allotment from the renouncee(s) without assigning any reason thereof.

Please note that:

a) Part A of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid.

b) Only the person to whom this Letter of offer has been addressed to and not the renouncee(s) shall be entitled to renounce and to apply for Split Application Forms. Forms once split cannot be split again.

c) Split form(s) will be sent to the applicant(s) by post at the applicant's risk.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above the number of Equity Shares you are entitled to, provided that you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for additional Equity Shares shall be considered and allotment shall be made in the manner prescribed in the Letter of Offer under the section "Basis of Allotment". The authorized person applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

In case of application for additional Equity Shares by non-resident Equity Shareholders, the allotment of additional securities will be subject to the permission of the Reserve Bank of India.

Where the number of additional Equity Shares applied for exceeds the number available for allotment, the allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

The summary of options available to the Equity Shareholder is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the enclosed CAF:

Sl. No.	Option Available	Action Required
1.	Accept whole or part of your entitlement without renouncing the balance	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares to be left blank or Nil to be mentioned(All joint holders must sign)
2.	Accept your entitlement in full and apply for additional Equity Shares	Fill in and sign Part A including Block III to the acceptance of entitlement and Block IV relating to additional Equity Shares (All joint holders must sign)
3.	Renounce your entitlement in full to one person (joint renounces are considered as one).	Fill in and sign Part B (All joint holders must sign) indicating the number of shares renounced and it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint holders [Renouncees] must sign)
4.	Accept a part of your entitlement and renounce the balance to one or more renounces or Renounce your entitlement in full offered to you to more than one renouncee	Fill in and sign Part D (All joint holders must sign) requesting for Split Application Form. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for Split Forms. Splitting will be permitted only once. On receipt of the Split Form take action as indicated below? For the Equity Shares you wish to accept, if any, fill in sign Part A. For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and it over to the authorized person. Each of the renouncees should fill in and sign part C for the Equity Shares accepted by them.
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the renouncees must fill in and sign Part C

Last date of Application

The last date for submission of CAF is [*]. The Board/Committee of Directors will have the right to extend the said date for such period as it may determine from time to time but not exceeding sixty days from the date the Issue opens.

If the CAF together with the amount payable is not received by the Bankers to the Issue/ Registrar on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the offer contained in this Letter of offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the heading “Basis of Allotment”.

Equity Shares in Dematerialised Form

Applicants to the Equity Shares of the Company issued through this Rights Issue shall be allotted the securities in authorized (electronic) form at the option of the applicant. The Company and MCS Limited, the Registrar to the Company, have signed a tripartite agreement with CDSL on 2nd September, 2003 and with NSDL on 1st October, 2003, which enables the investors to hold and trade in securities in dematerialized form, instead of holding the securities in the form of physical certificates.

In this Rights Issue, the allottees who have opted for Equity Shares in Dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account with a Depository Participant.

Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Applications, which do not accurately contain this information, will be given the securities in physical form. No separate applications for securities in physical and dematerialized form should be made. If such applications are made, the application for physical securities will be treated as multiple applications and is liable to be rejected. In case of partial allotment, allotment will be done in demat option for the shares sought in demat and balance, if any, will be allotted in physical shares.

Procedure for availing this facility for allotment of Equity Shares in this Issue in the electronic form is as under:

1. Open a Beneficiary Account with any Depository Participant (care should be taken that the Beneficiary Account should carry the name of the holder in the same manner as is exhibited in the records of the Company. In case of joint holding, the Beneficiary Account should be opened carrying the names of the holders in the same order as with the Company). In case of Investors having various folios in the Company with different joint holders, the investors will have to open separate accounts for such holdings. *Those Equity Shareholders who have already opened such Beneficiary Account (s) need not adhere to this step.*

2. For Equity Shareholders already holding Equity Shares of the Company in Dematerialized form as on Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the allotment of securities arising out of this Issue may be made in dematerialized form even if the original equity shares of the Company are not dematerialized. Nonetheless, it should be ensured that the Depository Account is in the name(s) of the Equity Shareholders and the names are in the same order as in the records of the Company.

3. Responsibility for correctness of applicant's age and other details given in the CAF vis a vis those with the applicant's Depository Participant would rest with the applicant. Applicants should ensure that the names of the applicants and the order in which they appear in CAF should be same as registered with the applicant's Depository Participant.

4. If incomplete / incorrect Beneficiary Account details are given in the CAF the applicant will get Equity Shares in physical form.

5. The Rights Equity Shares allotted to investors opting for Dematerialized form, would be credited to the Beneficiary Account as given in the CAF after verification. Allotment advice, Refund Order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's Depository Participant will provide to him the confirmation of the credit of the Rights Equity Shares to the applicant's Depository Account.

6. Renouncees will also have to provide the necessary details about their Beneficiary Account for allotment of securities in this Issue. In case these details are incomplete or incorrect, the allotment of shares will be made in physical form.

Utilisation of Proceeds

Subscription received against this Issue will be kept in a separate bank account(s) and the Company would not have access to such funds unless it has received minimum subscription of 90%, of the Issue and the necessary approvals of the Designated Stock Exchange, to use the amount of subscription.

General instructions for applicants

Do's & Don't's

(a) Please read the instructions printed on the enclosed CAF carefully.

(b) Application should be made on the printed CAF, provided by the Company and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Letter of offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest within stipulated time period and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the applicants, details of occupation, address, contact no., father's / husband's name must be filled in block letters.

(c) The CAF together with cheque / demand draft should be sent to the Bankers to the Issue / Collecting Bank or to the Registrar and not to the Company or Lead Managers to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorized by the Company for collecting applications, will have to make payment by Demand Draft payable at Kolkata (net of demand draft charges and postal charges) and send their application forms to the Registrar to the Issue by REGISTERED POST. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

(d) All applications or in the case of application in joint names, each of the applicants, should mention his/ her permanent account number allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR number and the Income-Tax Circle / Ward / District. In case where neither the permanent account number nor the GIR number has been allotted, the fact of non-allotment should be mentioned in the CAFs. Forms without this information will be considered incomplete and are liable to be rejected.

(e) Applicants are advised to provide information as to their savings/current account number and the name of the Bank with whom such account is held in the CAF to enable the Registrar to print the said details in the Refund Orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

(f) The payment against the application should not be effected in cash if the amount to be paid is Rs. 20,000/- or more. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded within the stipulated time period and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the Bankers to the Issue.

(g) Signatures should be either in English or Hindi or in any other language specified in the 8th Schedule of the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Equity Shareholders must sign the CAF as per the specimen signature recorded with the Company.

(h) In case of an application under Power of Attorney or by a body corporate or by a society, a certified true copy of the relevant Power of Attorney or relevant resolution or authority to make investment and sign the application along with a copy of the Memorandum & Articles of Association and / or bye laws must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case these papers are sent to any other entity besides the Registrar to the Issue or are sent after the Issue Closure Date, then the application is liable to be rejected.

(i) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with the Company. Further, in case of joint applicants who are renouncees, the number of applicants should not exceed three. In case of joint applicants, reference, if any, will be made in the first applicant’s name and all communication will be addressed to the first applicant.

(j) Application(s) received from Non-Residents / NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares shall, interalia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of Equity Share certificates, et c. In case a Non-Resident or NRI Equity Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF.

(k) All communication in connection with application for the Equity Shares, including any change in address of the Equity Shareholders should be addressed to the Registrar to the Issue prior to the date of allotment in this Issue quoting the name of the first / sole applicant Equity Shareholder, folio numbers and CAF number. Please note that any intimation for change of address of Equity Shareholders, after the date of allotment, should be sent to the Registrar and Transfer Agents of the Company (i.e. MCS Ltd.) in the case of equity shares held in physical form and to the respective DP, in case of equity shares held in Dematerialized form.

(l) Split forms cannot be re-split.

(m) Only the person or persons to whom Equity Shares have been offered and not renouncee(s) shall be entitled to obtain split forms.

(n) Applicants must write their CAF number at the back of the cheque / demand draft.

(o) Only one mode of payment per application should be used. The payment must be either in cash or by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the Centre indicated on the reverse of the CAF where the application is to be submitted.

(p) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash. (For payment against application in cash please refer point (f) above)

(q) No receipt will be issued for application money received. The Bankers to the Issue / Collecting Bank/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgement slip at the bottom of the CAF.

(r) An applicant, which is a mutual fund can make a separate application in respect of each scheme of the fund and such applications shall not be treated as multiple applications. The application made by the asset management company or custodians of a mutual fund shall clearly indicate the name of the concerned scheme for which application is being made.

Grounds for Technical Rejection

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

(i) Amount paid does not tally with the amount payable for;

(ii) Bank account details (for refund) are not given;

(iii) Age of first applicant not given;

(iv) PAN photocopy/ PAN Communication/ Form 60/ Form 61 declaration not given;

(v) UIN number not given as applicable;

(vi) In case of Application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted;

(vii) If the signature of the existing shareholder does not match with the one given on the application form and for Renouncees, if the signature does not match with the records available with their Depositories;

(viii) If the Applicant desires to have shares in electronic form, but the application form does not have the applicant's Depository account details;

(ix) Application forms are not submitted by the applicants within the time prescribed as per the application form and the Letter of Offer;

(x) Applications not duly signed by the sole/joint Applicants;

(xi) Applications by OCBs unless accompanied by specific approval from the RBI permitting the OCBs to invest in the issue;

(xii) Applications accompanied by Stock invest;

(xiii) In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the applicants (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's identity;

(xiv) FIIS applying on forms used for accepting shares renounced in their favour or applications for additional shares, without the copy of RBI permission / approval enclosed will be rejected;

(xv) Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where last available address in India has not been provided.

Payment Instructions

Resident Shareholders

All cheques / drafts accompanying the CAF should be drawn in favour of the Collecting Bank (specified on the reverse of the CAF), crossed "A/c Payee only" and marked **"Century Extrusions Limited - Rights Issue"**. Applicants residing at places other than places where the bank collection centers have been opened by the Company for collecting applications, are requested to send their applications together with Demand Draft for the full application amount (Net of demand draft and postal charges) favouring the Bankers to the Issue, crossed "A/c Payee only" and marked **"Century Extrusions Limited – Rights Issue"** payable at KOlkata directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Non-Resident Equity Shareholders/ Applicants

As regards the application by non-resident Equity Shareholders, the following further conditions shall apply:

Payment by Non-Residents must be made by demand draft / cheque drawn in favour of the Banker to the Issue and marked **"Century Extrusions Limited - Rights Issue – NR"** payable at Kolkata (net of demand draft charges and postal charges) or funds remitted from abroad in any of the following ways:

1. Application with repatriation benefits.

a) By Indian Rupee drafts purchased from abroad and payable at Kolkata or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

b) By cheque / draft on a Non-Resident External Account (NRE) or FCNR Account maintained in Kolkata; or

c) By Rupee draft purchased by debit to NRE/ FCNR Account maintained elsewhere in India and payable at Kolkata; or

d) FIIs registered with SEBI must remit funds from special non-resident rupee deposit account.

2. Application without repatriation benefits

As far as non-residents holding shares on non-repatriation basis is concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Kolkata or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Kolkata. In such cases, the allotment of Equity Shares will be on non-repatriation basis.

All cheques/drafts submitted by non-residents should be drawn in favour of the Bankers to the Issue and marked **"Century Extrusions Limited - Rights Issue – NR"** payable at Kolkata and must be crossed "A/c Payee only" for the amount payable. The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

Applicants may note that where payment is made by drafts purchased from NRE/ FCNR/ NRO accounts as the case may be, an Account Debit Certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. Otherwise the application shall be considered incomplete and is liable to be rejected.

Note:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to IT Act.

- In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAF before the close of banking hours on the aforesaid Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case application received from Non-Residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI as applicable at the time of making such allotment, remittance and subject to necessary approvals.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by the Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

In case an application is rejected in full, the whole of the application money received will be refunded within six weeks from the close of the Issue. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the applicant within six weeks from the close of the Issue.

Fictitious Applications

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, 1956 which is reproduced below:

"Any person who:

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Basis of Allotment

I. Subject to provisions contained in this Letter of Offer, the Articles of Association and approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority:

   a) Full allotment to those Equity Shareholders who have applied for their rights entitlement either in full or in part and also to the renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

   b) Allotment to the Equity Shareholders who having applied for all the Equity Shares offered to them as rights and have also applied for additional Equity Shares. The allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there is an under-subscribed portion after making full allotment in (a) above. The allotment of such Equity Shares will be at the sole discretion of the Board/Committee of Directors in consultation with the Designated Stock Exchange, as a part of the Rights Issue and not preferential allotment.

   c) Allotment to the renouncee who having applied for the Equity Shares renounced in their favour has also applied for additional Equity Shares provided there is an under-subscribed portion after making full allotment in (a) and (b) above. The allotment of such additional Equity Shares will be made on a proportionate basis at the sole discretion of the Board/ Committee of Directors but in consultation with the Designated Stock Exchange, as a part of the Rights Issue and not as a preferential allotment.

d) The Issue will become under-subscribed after considering the number of Equity Shares applied as per entitlement plus additional Equity Shares. The Promoters and the Promoter group shall subscribe to such under-subscribed portion as per the relevant provisions of the law to ensure that the Issue is successful. If any person presently in control of the Company desires to subscribe to such under subscribed portion and if disclosure is made pursuant to SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, such allotment of the under subscribed portion will be governed by the provisions of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997.

e) After taking into account the allotments made under 1(a), 1(b) and 1(c) above, if there is still any under-subscription, the unsubscribed portion shall be disposed off by the Board or Committee of Directors authorized in this behalf by the Board upon such terms and conditions and to such person/persons and in such manner as the Board / Committee of Directors may in its absolute discretion deem fit, as part of the Rights Issue and not as a preferential allotment.

The decision of the Board or committee of Directors of the Company in this regard shall be final and binding. In the event of over subscription, allotment will be made within the overall size of the issue.

Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with Clause 40A of the Listing Agreement and other applicable laws prevailing at that time.

Allotment / Refund

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall ensure despatch of refund orders, if any, of value up to Rs. 1,500 "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) "Under Certificate of Posting" intimating them about the mode of credit of refund within Six weeks from the date of closure of Issue.

The Company shall ensure dispatch of refund orders/refund advice, if any, "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First shareholder's name and all communication will be addressed to the person whose name appears on CAF within 42 days of the Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

Shareholders should note that on the basis of name of the shareholders, Depository Participant's name, Depository Participant- Identification (DP ID) number and Beneficiary Account Number provided by them in the Composite Application form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Shareholders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to shareholders at the shareholders sole risk and neither the Lead Manager nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

Dispatch of refund orders/ refund advice shall be done within 42 days from the Issue Closing Date; and the Company shall pay interest at the rate of 15% per annum (for any delay beyond the 42-days time period as mentioned above), if allotment is not made, refund orders/credit intimation are not dispatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 42-days time prescribed above, provided that the beneficiary particulars relating to such shareholder as given by the shareholder is valid at the time of the upload of the electronic transfer. The Company will provide adequate funds required for the cost of dispatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue. Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where applications are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the shareholders.

Payment of Refund
In case of shareholder applying for physical shares, refunds will be made on the basis of the bank account details provided by them in the Composite Application Form.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference

I. ECS - Payment of refund would be done through ECS for applicants having an account at any of the 15 centers where clearing houses for ECS are managed by Reserve Bank of India, namely Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank acccount details including the nine digits Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS.

II. Direct Credit – Applicants having their bank account with the Refund Banker, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to the eligible applicant's bank account with the Refund Banker.

III. RTGS – Applicants having a bank account at any of the 15 centers detailed above, and whose application amount exceeds Rs, 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Composite Application Form. In the event of failure to provide the IFSC code in the Composite Application Form, the refund shall be made through the ECS or direct credit, if eligibility disclosed.

Please note that only applicants having a bank account at any of the 15 centres where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I, II and III hereinabove. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be dispatched "Under Certificate of Posting" for refund orders of value up to Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.

LETTERS OF ALLOTMENT / SHARE CERTIFICATES

In case the Company issues Letters of Allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

As regards allotment/ refund to Non-Residents, the following further conditions shall apply.

In case of Non-Residents, who remit their application monies from funds held in NRE/ FCNR accounts, refunds and/ or payment of interest/ dividend and other disbursement, if any, shall be credited to such accounts, details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of nonresidents, who remit their application monies through Indian Rupee draft purchased from abroad, refund and/ or payment of dividend/ interest and any other disbursement, shall be credited to such accounts (details of which should be furnished in the CAF) and will be made net of bank charges/ commission in US Dollars, at the rate of exchange prevailing at such time. The Company will not be responsible for any loss on account of exchange fluctuations for converting the Indian Rupee amount into US Dollars. The Equity Share certificate(s) will be sent by registered post at the Indian address of the non-resident applicant.

Letters of Allotment / Equity Share Certificates

Letter(s) of Allotment/ Equity Share certificates or Letters of Regret along with refund order will be dispatched to the registered address of the first named applicant or respective beneficiary accounts will be credited within six weeks, from the date of closure of the subscription list. In case the Company issues Letters of Allotment, the relative Equity Share certificates will be dispatched within three months from the date of allotment. Allottees are requested to preserve such Letters of allotment (if any) to be exchanged later for Equity Share certificates.

Export of Letters of Allotment (if any)/ Equity Share certificates to non-resident allottees will be subject to the approval of RBI.

Undertakings by the Company

The Company undertakes as follows:

a. That the complaints received in respect of this issue shall be attended to expeditiously and satisfactorily;

b. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalisation of the basis of allotment;

c. That the funds required for dispatch of refund orders or allotment advice or Share certificates by registered post or speed post shall be made available to the Registrar to the issue;

d. Where refunds are made through electronic transfer of funds, suitable communication shall be sent to the applicant within 42 days of closure of the issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of refund;

e. That the refund orders or allotment advice to the NRIs or FIIs shall be dispatched within the specified time; and

f. f. That no further issue of Equity Shares shall be made till the Equity shares issued through this Letter of offer are listed or until the application monies are refunded on account of non-listing, under-subscription etc.

Utilisation of Issue Proceeds

The Board of Directors of the Company certify that:

i. All monies received out of the fresh issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act.

ii. Details of all monies utilised out of fresh issue referred to above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies have been utilised; and

iii. Details of all unutilised monies out of the fresh issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested.

The Company shall not have recourse to the Rights Issue proceeds until approval for trading of Equity Shares from the stock exchange where listing is sought is received and the Company satisfies the Designated Stock Exchange with suitable documentary evidence that the minimum subscription of 90% has been received by the Company.

Pending utilisation of net proceeds of the fresh issue as specified under the section “Objects of the Issue”, the net proceeds will be invested by the Company in high quality interest bearing liquid instruments including but not limited to deposits with banks for the necessary duration.

Important

- Please read this Letter of Offer carefully before taking any action. The instructions contained in the accompanying Composite Application Form (CAF) are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.
- All enquiries in connection with this Letter of Offer or accompanying CAF and requests for Split Application Forms must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and super

scribed. 'Century Extrusions Ltd. - Rights Issue' on the envelope) to the Registrar to the Issue at the following address:

REGISTRAR TO THE ISSUE:

MCS Limited
77/2A, Hazra Road,
Kolkata-700 029
Tele : 2243-5809/5029
Fax : 2248-4787
E-mail: mcscal@cal2.vsnl.net.in

- It is to be specifically noted that this Issue of Equity Shares is subject to the section entitled "Risk Factors" beginning on page [*] of this Letter of Offer.

The Issue will not be kept open for more than 30 days unless extended, in which case it will be kept open for a maximum of 60 days.

I. DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

3. The Share Capital of the company is Rs. 12,00,00,000 (Rupees Twelve Crores only) divided into 12,00,00,000 equity shares of Re. 1/- each.

4. The Company in General Meeting may, by ordinary resolution from time to time increase the Capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe.

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to he payment of calls and installments forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine; and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meeting of the Company in conformity with Sections 27 and 88 of the Act.

7. Subject to the provisions of these Articles and of the Act, the shares (including any share forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons on such terms and conditions, in such proportion, and at such times as the Directors may think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors may think fit. The Board shall cause to be filed the returns as to allotment provided for in Section 75 of the Act.

8. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company but so that the commission shall not exceed in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may pay a reasonable sum for brokerage.

9. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which are or at the opion of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

10. With the previous authority of the Company in General Meeting and the sanction of the appropriate authority mentioned in, and upon otherwise complying with Section 79 of the Act, the Board may issue at a discount shares of a class already issued.

11. The Company may (subject to the provisions of Section 78, 80 and 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law and in particular, capital may be paid off on the footing that it may be called upon again or otherwise.

12. Subject to the provision of Sections 100 to 105 inclusive of the Act, the Board may accept from any member the surrender on such terms and condition as shall be agreed of all or any of his shares.

13. The Company in general meeting may from time to time :–

(a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(c) Cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

14. The resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital, voing or otherwise over or as compared with the others or other, subject, nevertheless, to the provisions of Section 106 and 107 of the Act.

15. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of that class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of issued shares of that class. To every such separate general meeting the provisions of these Articles relating to general meetings shall mutates mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one third of the issued shares of that class.

16. The Company shall cause to be kept a Register and Index of Members in accordance with Sections 150 and 151 of the Act. The Comapny shall be entitled to keep in any state or country outside India a branch Register of Members resident in that State or Country.

17. The shares in the capital shall be numbered progressively according to their several denominations. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

18. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acdeptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a Member.

19. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

20. Every members, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, a such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

21. Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint-holders of any share.

21A. Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the Beneficial Owner.

Save as otherwise provided hereinabove, the Depository as registered owner shall not have any voting rights or any other rights in respect of securities held by it.

Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the records of the Depository, shall be deemed to be a member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities held by a Depository".

22. Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if any member so wishes, to several certificates each for one or more of such shares but in respect of each additional certificate which does not comprise shares in lots of market units of trading, the Board may charge a fee of Rs. 2/- or such smaller sum as the Board may determine. Unless the conditions of issue of any shares otherwise proovide the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in cases of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, subdivision, consolidation, renewal or exchange of any of its shares, as the case may be, complete and have ready for delivery the certificates of such shares. Every certificate of shares shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. In respect of any share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several jooint-holders shall be suficient delivery to all such holders.

"Provided, however, that where the shares are dealt with in a Depository, the Company shall notwithstanding anything contained under Section 113(1) of the Act intimate the details of allotment of the shares to the Depository immediatgely on allotment of such shares".

23. No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading; for sub-division of renounceable letters of right; for issue of new certifictes in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed and for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split, consolidation renewal and pucca transfer receipts into denomination other than those fixed for market units of trading. 23A. Not withstanding anything contained in the articles, no request for subdivision of share certificates or letter of allotment into denomination of less than 100 (one hundred) shares shall be accepted unless otherwise resolved by the Board of Directors except when sub-division is required to be made to comply with a statutory order or an order of competent court of law or by any other operation of law.

24. If any share stands in the name of two or more persons, the person first named in the Register shall as regards receipts of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but the joint-holders of a share shall be severally, as well as jointly, liable for the payment of all instalments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.

25. 25. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

25A. Notwithstanding anything contained herein, the Company shall be entitled to dematerialise its shares and other securities pursuant to the Depositories Act and to offer its shares and other securities for subscription in a dematerialised form.

25B. All securities held by a Depository shall be dematerialised and shall be in a fungible form. In case of transfer of shares or other securities, where the Company has not issued any certificates and where such shares or other securities are being held in fungible form, the provisions of the Depositories Act shall apply.

Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall apply to a Depository in respect of the securities held by a Depository on behalf of the Beneficial Owners.

26. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent on the security of shares of he Company and the Company shall not give, directly or indirectly, any financial assistance, whether by way of loan, guarantee, the provision of a security or otherwise for the purpose of or in connection with any purchase of or subscription for shares in the Company or any company of which it may, for the time being, be a subsidiary.

CALLS

27. The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each members shall pay the amount of every call so made on him to the person or persons and at the time and places appointed by the Board.
A call may be made payable by instalments.

28. Thirty days notice in writing at the least of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

29. A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.

30. A call may be revoked or postponed at the discretion of the Board.

31. The Board may, from time to time at its discretion extend the time fixed for the payment of any call, and may extend such time as to all or any of the members for reasons which the Board may consider necessary but no member shall be entitled to such extension save as a mater of grace and favour.

32. If the member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual paymen at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall reder it obligatory for the Board to demand or recover any interest from any such member and the Board shall be at liberty to waive payment of any such interest wholly or in part.

33. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, lien, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

34. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minutes Books; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

35. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

36. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board may agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

LIEN AND FORFEITURE

37. The Company shall have a first and paramount lien upon all the shares (other than fully-paid up shares) registered in the name of each member (whether solely or jointly with others) and upon proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such shares no equitable interest in any shares shall be created except upon the footing and condition that Article 25 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The Directors may at any time declare any shares wholly or in part to be exempt from the provisions of this clause.

38. For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made unless a sum in respect of which the lien exists is presently payable, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.

39. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

40. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

41. The notice shall name a day (not being less than fourteen days from the date of service of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and a the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.

42. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall, include all dividends declared or any other money payable in respect of the forfeited shares and not actually paid before the forfeiture.

43. When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

44. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

45. Any member whose shares have been forfeited shall cease to be a member in respect of the forfeited share, but shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand, all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, as the Board may determine, and the Board may enforce the payment thereof, if it thinks fit.

46. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

47. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with the these Articles on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

48. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase, allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

49. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become and null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of said shares to the person or persons entitledthereto.

50. The Board may at any time before any share so forfeited shall have been sold, re-alloted or otherwise disposed of, annul the forfeiture thereof as a matter of grace and favour but not as a right, upon such terms and conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.

52. The instrument of transfer shall be in writing and all the provisions of Section 108 of the Companies Act, 1956 and of any statutory modifications thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.

53. The instrument of transfer duly stamped and executed by the transferor and the transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of transfer shall be accompanied by such evidence as the Board may require to prove the title of transferor and his right to transfer the shares and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board in accordance with law but any instrument of transfer which the Board may decline to register shall on demand, be returned to the person depositing the same. The transferor shall be deemed to be the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer, the certificate or certificates of the shares must be delivered to the Company. The Board may however waive the production of any certificate upon evidence satisfactory to them of its loss or destruction and upon such indemnity as the Board may think fit.

54. The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate to close the Register of Transfers the Register of Members or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

55. (a) The board shall not refuse to register the transfer of any share except on one or more of the following grounds :

(i) The instrument of transfer is not proper or has not been duly stamped and executed or that the certificate relating to the share has not been delivered to the Company or that any other requirement under the law relating to registration of such transfer has not been complied with;

(ii) The Transfer of the share is in contravention of any law;

(iii) The transfer of the share is likely to result in such change in composition of the Board of Directors as would be prejudicial to the interests of Company or to the public interest;

(iv) The transfer of share is prohibited by any order of any court, tribunal or other authority under any law for the time being in force;

(v) The share is partly paid-up and on which the Company has a lien under the provisions of the Articles;

(vi) There is any other just and sufficient ground. Provided that the registration of transfer of shares shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.

(b) When the Board refuses to register any transfer of shares, it shall, within one@ month from the date on which the instrument of transfer was lodged with the Company, send notice of refusal to the transferee and the transferor giving reasons for such refusal.

(c) Without prejudice to the generality of the Articles of Association of the Company, the Directors may not accept any application for transfer of less than 100 (one hundred) shares, provided however that the conditions shall not apply to :

1. A Transfer of shares made in pursuance of any statutory provision or an order of a Competent Court of Law or by any other operation of Law;

2. The transfer of the entire shares by an existing shareholder holding less than 100 (One hundred) shares by a single transfer to a single or joint transferee(s);

3. The transfer of the entire shares by existing shareholder holding less than 100 (One hundred) shares to one or more transferee(s) whose holding in the company will not be less than 100 (One hundred) shares each after the said transfer;

4. The transfer of not less than 100 (One hundred) shares in the aggregate in favour of the same transferee in two or more transfer deeds, submitted together with in which one or more relate(s) to the transfer of less than 100 (one hundred) shares; and

5. The transfer of shares made at the discretion of the Board of Directors under special circumstances to avoid undue hardship in genuine cases.

56. Where, in the case of partly paid shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

57. In the case of the death of any on or more of the persons named in the Register of members as the joint-holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a decreased joint-holder from any liability on shares held by him jointly with any other person.

58. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as a to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 60 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

59. No share shall in any circumstances be subscribed for by, or transferred to, any minor, infant, insolvent or person of unsound mind.

60. Subject to the provisions of the Act an Articles 57 and 58 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Member or the marriage of any Female Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, and upon giving such indemnity as the Directors may require, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.

61. A person becoming entitled to a share under Article 60 shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Member in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company, PROVIDED THAT the Board shall, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the shares until the requirements of the notice have been complied with.

62. No fee shall be charged for registration of transfer, grant or probate, grant of letters of administration, certificate of death or marriage, Power of Attorney or other similar instruments.

63. The Board shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in the case of a transfer of shares presented for registration.

64. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, any may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall, nevertheless, be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

INTEREST OUT OF CAPITAL

65. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or buildings, or the provision of plant.

BORROWING POWERS

66. The Board may, from time to time, as its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purposes of the Company.

67. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board thinks fit, and in particular by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being, and debentures, debenture-stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

68. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawings, allotment of shares and attending (but not voting) at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

69. Save as provided in Section 108 of the Act, the provisions of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to debentures of the Company.

70. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they are required to be complied with by the Company.

71. The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with Section 152 of the Act. The Company shall have power to keep in any state or country outside India a branch Register of Debenture-holders resident in that state or country.

CONVERSION OF SHARES INTO STOCK AND RECONVERSION

72. The Company in general meeting may convert any paid up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.

73. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares have conferred that privilege or advantage.

MEETING OF MEMBERS

74. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meeting other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. If at any time there are not within India directors capable of acting who are sufficient in number to form a quorum, any director or any two members of the company may call an extraordinary general meeting, in the same manner as nearly as possible, as that in which such a meeting may be called by the Board.

75. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as herein otherwise provided five members present in person shall be a quorum.

76. A body corporate being a member shall be deemed to be present personally if it is represented in accordance with Section 187 of the Act.

77. If, at the expiration of half an hour, from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting if convened by or upon the requisition of members, shall stand dissolved, but in any other case, the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine, and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present being not less than two shall be a quorum, and may transact the business for which the meeting was called.

78. The Chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or is unwilling to act, the members present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the Chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number, being a member entitled to vote, to be the Chairman.

79. Every question submitted to a meeting shall be decided, in the first instance by a show of hands, and in the case of an equality of votes, both on a show of hands and on a poll, the Chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as a member.

80. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

81. Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting shall be sufficiently so done or passed if effected by an Ordinary Resolution as defined in Section 189(1) of the Act unless either the Act or these Articles specially require such act to be done or resolution passed by a Special Resolution as defined in Section 189(2) of the Act.

82. No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.

83. The Chairman of a general meeting may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

84. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith and without adjournment.

85. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

86. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

87. Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member, not disqualifiied by the last preceding Article shall be entitled to be present, and to speak and vote at such meetings, and on a show of hands, every member present in person shall have one vote and upon a poll the voting right of every member present in person or by a proxy shall be as specified in Section 87 of the Act.

88. Without prejudice to Article 59, a member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hand or on a poll, by his committee or other legal guardian; and any such committee or guardian may, on poll vote by proxy, and if any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the Meeting.

89. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint-holders be present at any meeting either personally or by proxy, that one of the said persons so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article be deemed joint-holders thereof.

90. Subject to the provision of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.

91. Where a company or a body corporate (hereinafter called "member company") is a member of the Company, a person, duly appointed by resolution in accordance with the provisions of Section 187 of the Act to represent such member company at a meeting of the Company, shall not, by reason of such appointment, be deemed to be a proxy, and the lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such member company and certified by him as being a true copy of the resolution shall be accepted by the company as sufficient evidence of the validity of his appointment.

92. Any person entitled under Article 60 to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such share and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

93. An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

94. A Member present either in person or by proxy shall be entitled to vote both on show of hands and on a poll.

95. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.

96. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the Office before the vote is given; Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

97. Any objection as to the admission or rejection of a vote, either, on a show of hands, or, on a poll made in due time, shall be referred to the Chairman who shall forthwith determine the same, and such determination made in good faith shall be final and conclusive. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

DIRECTORS

98. Until otherwise determined by a General Meeting of the Company, the number of directors (excluding Alternate Directors) shall not be less than three or more than twelve.

99. Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors.

100. The persons hereinafter named shall become and be the First Directors of the Company :

1. Shri M. P. Jhunjhunwala
2. Shri C. L. Jhunjhunwala
3. Shri G. K. Damani
4. Shri G. S. Agarwala

101. Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any share in the capital of the Company as his qualification.

102. The Board may appoint an Alternate Director, who is recommended for such appointment by a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from the State in which the meeting of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so returns to that State, any provisions, in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

103. Subject to the provisions of Sections 260 and 264 the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 111. Any such additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for appointment at the next Annual General Meeting.

104. Subject to the provisions of Section 262, 264, and 284 (6), the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 204 of the Act. Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

105. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. Subject to the provisions of Section 255 of the Act, a Director appointed to the office of Managing Director or a Whole-time Director shall not while holding that office be subject to retirement by rotation or be taken into account in determining the rotation of retirement of Directors or in fixing the number of Directors to retire.

106. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC), General Insurance Corporation of India (GIC) and its subsidiaries viz., National Insurance Corporation of India (NIC), The Oriental Insurance Company (OIC), United Insurance Company (UIC), Unit Trust of India (UTI), West Bengal Industrial Development Corporation Limited (WBIDC), any one or more commercial banks (Banks) or to any other Finance Corporation or Credit Corporation or any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, IRBI, LIC, GIC, NIC, OIC, UIC, UTI, WBIDC, Banks or any other Finance Corporation or Credit Corporation or any other Finance Company or Body (each of which IDBI, IFCI, ICICI, IRBI, LIC, GIC, NIC, OIC, UIC, UTI, WBIDC, Banks or any other Finance Corporation or Credit Corporation or any other Finance Corporation or Body is hereinafter in this Article referred to as "the Corporation") continue to hold debentures in the Company by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or so long as any liability of the Company arising out of any guarantee furnished by the

Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time, (which Director or Directors is/are hereinafter referred to as Nominee Director/s) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long and the Corporation holds Debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting of the liability of the Company arising out of any Guarantee furnished by the Corporation on behalf of the Company is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares acquired in the manner referred hereinabove in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and Meetings of the Committee, of which the Nominee Director/s is/are member/s and shall also be entitled to receive the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.

Provided that if such Nominee Director/s is/are officer/s of the Corporation, the sitting fees in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the company directly to the Corporation.

Provided also that in the event of the Nominee Director/s being appointed as whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised by or available to the whole time Director/s, in the management of the Company. Such Nominee Director/ s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

107. (1) Subject to the provisions of the Act, a Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director, who is neither in the whole-time employment nor a Managing Directors, may be paid remuneration either —

(i) By way of monthly, quarterly, or annual payment with the approval of the Central Government; or
(ii) by way of commission if the Company by a special resolution authorised such payment.

(3) The fee payable to each Director inclusive of Directors Ex-officio shall be at such rate for attending each meeting of the Board or Committee thereof (including an adjourned meeting) as the Board may from time to time determine subject to the provision that such fees shall not exceed such sum as may be prescribed by the Central Government from time to time under the proviso to Section 310 of the Companies Act, 1956.

(4) Subject to the provisions of the Act, if any Director being willing be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a

member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

108. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, (whether a General Meeting of the Company or a Board Meeting and whether original or adjourned) such sum as the Board may consider fair compensation or for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with the business of the Company (The Board may also allow and pay to any Director all fees for filing documents which they may be required to file under the Act).

109. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 98, hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of Directors to that number, or of summoning a General Meeting, but for no other purpose.

110. Any director or other person referred to in Section 314 of the Act may be appointed to or hold any office or place of profit under the Company or under any subsidiary of the Company in accordance with and subject to the provisions of Section 314 of the Act.

111. A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 314 of the Act may be applicable.

112. Subject to the provisions of the Act, the Directors shall not be disqualified from contracting with the Company, whether as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director shall be concerned or interested be avoided, nor shall any Director so contracting or being so concerned or interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.

PROCEEDINGS OF DIRECTORS

113. The Board shall meet together at least once in every three months for the despatch of business and may adjourn and otherwise regulate its meetings and proceedings as it thinks fit provided that at least four such meetings shall be held in every year. Notice in writing of every meeting of the Board shall be given to every Director for the time being in India, and at his usual address in India to every other Director. Unless otherwise determined from time to time being in India meetings of the Board shall take place at the Office.

114. A Director may, at any time, and the Secretary shall upon the request of a Director made at any time, convene a meeting of the Board.

115. The Board shall appoint a Chairman of its meeting and determine the period for which he is to hold office. If no such Chairman is appointed or if at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

116. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board, it shall be adjourned until such date and time as the Chairman of the Board shall appoint.

117. A meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.

118. Subject to the provisions of Section 316, 372 (5) and 386 of the Act, Questions arising at any meeting shall be decided by a majority of votes, and, in case of an equality of votes, the Chairman shall have a second or casting vote.

119. The Board may, subject to the provisions of the Act, from time to time and at any time, delegate any of its powers to a Committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon in by the Board.

120. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained and by the Act for regulating the meetings and proceedings, of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the last preceding Article.

121. Acts done by a person as a Director shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provisions contained in the Act or in these Articles. Provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the company to be invalid or to have terminated.

122. (1) Save in those cases where a resolution is required by section 292, 297, 316, 372 (5) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or members of the Committee at their usual address in India, and has been approved by such of them as are them in India or by a majority of such of them as are entitled to vote on the resolution.

(2) A resolution under Section 262 of the Act to fill up a casual vacancy in the Board shall also be passed at a meeting of the Board.

POWERS OF THE BOARD

123. Subject to the provisions of the Act, the control of the Company shall be vested in the Board who shall pay all expenses incurred in promoting and registering the Company and shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Article or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the memorandum of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made there under, including regulation made by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

MANAGING/WHOLE-TIME DIRECTORS

124. Subject to the provisions of the Act, the Board may, from time to time, appoint one or more Directors to be Managing or Wholetime Director or Directors of the Company with such designations as the Board may consider fit and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

125. (1) Subject to the provisions of Section 255 of the Act a Managing or Wholetime Director shall not, while he continues to hold that office, be liable to retirement by rotation but (subject to the provision of any contract between him and the Company) he shall be subject to the same provisions as the resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing or Wholetime Director if he ceases to hold the office of Director for any reason whatsoever save that if he shall vacate office whether by retirement by rotation or otherwise under the provisions of the Act at any Annual General Meeting and shall be reappointed a Director at the same meeting he shall not, by reason only of such vacation, cease to be a Managing or Wholetime Director.

(2) If at any time the total number of Managing and/or Wholetime Directors is more than one-third of the total number of Directors, the Managing and/or Wholetime Directors who shall not retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Managing and/or Wholetime Directors shall be determined by the date of their respective appointments as Managing and/or wholetime Directors of the Company.

126. Subject to the provisions of Section 309, 310, 311 and 314 of the Act, a Managing or Wholetime Director may, in addition to any remuneration payable to him as a Director of the Company under these Articles, receive such additional remuneration as may from time to time be sanctioned by the Company in general meeting.

127. Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing or whole time Director for the time being such of the powers exercisable under these presents by the Directors as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit; and it may confer such powers either collaterally with, or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGER

128. Subject to the provisions of Section 197A, 317, 388 and other applicable Sections of the Act the Board may, from time to time appoint an individual as the Manager of the Company and may determine his powers and duties and fix his remuneration and the period for which and other terms and conditions on which he is to hold such office.

SECRETARY

129. Subject to the provisions of Section 383A of the Act, the Board may, at any time and from time to time, appoint any individual possessing the prescribed qualification to be the Secretary of the Company and may determine his powers and duties and fix his remuneration and the period for which he is to hold such office.

THE SEAL

130. The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof. The Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. Any instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue the same.

131. Every Deed or other instrument, to which the Seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney be signed by two Directors or one Director and the Secretary or such other person as the Board may appoint for the purpose, provided, nevertheless that certificates of shares shall be signed in accordance with the rules framed by the Government in this behalf or any statutory modifications thereof.

BOOKS OF ACCOUNT

132. Subject to the provision of Section 209 of the Act, the books of accounts shall be kept at the office of the Company or at such other place as the Board thinks fit and shall be open to inspection during business hours by any Director, Registrar or other Officers authorised by the Central Government in this behalf.

133. At every Annual General Meeting, the Board shall lay before the Company a Balance Sheet and Profit and Loss Account made up in accordance with the provisions of Section 210 of the Act and such Balance Sheet and Profit and Loss Account shall comply with the requirements of Sections 210,211,212,215 and 216 of and Schedule VI to the Act so far as they are applicable to the Company but save as aforesaid, the Board shall not be bound to disclose greater details of the result or extent of the trading and transactions of the Company than it may deem expedient.

134. Every Balance Sheet and Profit and Loss Account when audited and approved by the General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof, Whenever any such error is discovered within that period the account shall forthwith be corrected and thenceforth shall subject to the approval of company in General Meeting be conclusive.

RESERVES

135. Subject to the provisions of the Act and the Rules prescribed thereunder the Board may, from time to time before recommending any dividend, set apart any and such portion of the profits of the Company as it thinks fit as Reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the Company, or for equalization of dividends, or for repairing, improving or maintaining any of the property of the Company or for such other purposes of the Company as the Board in its absolute discretion thinks conducive to the interests of the Company. All moneys carried to the Reserves shall nevertheless remain and be profits of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends. The Board may also carry forward any profits which it may think fit prudent not to divide without setting them asides as a reserve.

136. The Board may, subject to the provisions of the Act, invest and several sums so set aside upon such investments or securities (other than shares of the Company) as it may think fit, and from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the Reserves into such special funds as it thinks fit, with full power to employ the Reserves or any parts thereof in the business of the Company and that without being bound to keep the same separate from the other assets.

DIVIDENDS

137. The profits of the Company, subject to any preferential or special rights relating thereto created or authorised to be created by these Articles, and subject to the provisions of the Act and of these Articles as to the Reserves or other special fund or funds, shall be divisible among the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by the them respectively.

138. The Company in General Meeting may declare dividends to be paid to members according to their respective rights and interest in the profits and may, subject to the provisions of Section 207 of the Act, fix the time for payment.

139. No larger dividend shall be declared than is recommended by the Board but the Company in General Meeting may declare a smaller dividend.

140. Subject to the provisions of the Act, the declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

141. The Board may, from time to time, pay to the Members such interim dividend as in their judgement the position of the Company justifies.

142. Where capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

143. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

144. Subject to the provisions of the Act, the Board may retain the dividends payable upon shares in respect of which any person is under Article 60 entitled to become a Member of which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.

145. Any one of several persons who are registered as the joint-holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.

146. No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise, howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company, without prejudice to the right of the Company to sue for the balance of such moneys, or to forfeit or sell any shares as provided in these Articles.

147. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

148. Unless otherwise directed any dividend, interest or other moneys payable in cash in respect of a share, may be paid by cheque or warrant sent through the post to the registered address of the members or person entitled or in the case of joint-holders to that one of them first named in the Register in respect of the joint-holdings or to such persons and at such address as the holder or joint-holders, as the case may be, may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery of the dividend by any other means.

149. Subject to the provision of these Article any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls. The making of a call under this Article shall be deemed ordinary business of a General Meeting which declares the dividend.

150. No unpaid dividend shall bear interest as against the Company. No unclaimed or unpaid dividend shall be forfeited by the Board and the company shall comply with all the provision of Section 205-A of the Act in respect of all unclaimed or unpaid dividend.

CAPITALISATION

151. The Company in General Meeting may upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend be capitalised and distributed among such of the share-holders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such share-holders :

(i) in paying up in full either at par or at such premium as the resolution may provide, any un-issued shares or debentures or debenture stock of the Company which shall be distributed accordingly, or

(ii) in or towards payments of the uncalled liability on any issued shares or debentures or debenture-stock, or

(iii) Partly in one way and partly in other; and the such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Account shall, for the purposes of this Article, only be applied in the paying of un-issued shares to be issued to members of the Company as fully paid bonus shares.

152. (i) The Company in General meeting may at any time and from time to time resolve that any surplus moneys in the hands of the Company representing capital profits arising from the receipt of moneys received or recovered in respect of or arising from the realisation of any capital assets of the company or any investment representing the same instead of being applied in the purchase of other capital assets or for other capital purposes be distributed amongst the Equity shareholders on the footing that they received the same as capital and in the shares and proportions in which they would have been entitled to receive the same if it had been distributed by way of dividend, provided always that no such profit as aforesaid shall be so distributed unless there shall remain in the hands of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid-up share capital of the Company for the time being.

(ii) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient, and in particular may issue fractional certificates or may ignore fractional altogether and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalised fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with the Section 75 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividends or capitalized fund, and such appointment shall be effective and binding upon the members.

NOTICES

153. A notice or other documents may be given by the Company to its members in accordance with Sections 53 and 172 of the Act.

154. Where a document is sent by post, service of the notice shall be deemed to be effected by properly addressing, repaying and posting a letter containing the document. Provided where a member has intimated to the Company in advance that the document should be sent to him under Certificate of Posting or by Registered Post with or without Acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be affected unless it is sent in the manner intimated by the members, and unless the contrary is proved such service shall be deemed to have been effected.

(i) in the case of a notice of a meeting at the expiration of forty eight hours after the same is posted, and

(ii) in any other case, at the time at which the letter would be delivered in the ordinary course of post.

155. Any notice required to be given by the Company to the members or any of them and not expressly provided for by these Articles or by the Act shall be sufficiently given if given by advertisement.

156. Any notice required to be or which may given by advertisement shall be advertised once in one or more newspapers circulating in the neighborhood of the office.

157. Any notice given by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

158. Every person who by operation of law transfer or other means whatsoever shall become entitled to any share shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.

159. Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.

160. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any, joint interested with him in any such share.

161. Any member who has no registered address in India shall, if so required to do by the Company, supply the Company with an address in India for the giving of notice to him.

J. LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents referred to hereunder will be delivered to BSE (Designated Stock Exchange). These documents may be inspected at the Registered Office of the Company at "113, Park Street, 'N' Block , 2nd Floor, Kolkata- 700 016 from 11:00 am to 2:00 pm on all working days, from the date of this Letter of offer until the date of closure of the Subscription List.

Material Contracts

1. Memorandum of Understanding entered into between the Issuer Company and VC Corporate Advisors Pvt. Ltd., Lead Manager to the Issue dt. 21.01.2008.
2. Tripartite agreement entered between the Company, Central Depository Services (India) Limited and MCS Ltd. dated 2nd September 2003.
3. Tripartite agreement entered between the Company, National Security Depository Limited and MCS Ltd. dated 1st October 2003.
4. Copy of Memorandum of Understanding dated 21.01.2008 between the Company and MCS Ltd Registrar to the Rights Issue for the proposed rights issue.

Material Documents for Inspection

1. Memorandum and Articles of Association of the Company.
2. Certificate of Incorporation dated 1st February 1988 of the Company.
3. Resolution passed by the Board of directors of the company at their Meeting held on 15th December 2007 authorizing the proposed rights Issue.
4. Resolution passed by the Members at the Extra Ordinary General Meeting held on 21st January 2008 authorizing the proposed rights Issue.
5. Consents from Directors, Auditors, Bankers to the Company, Lead Manager to the Issue, Registrar to the Issue and Legal Advisor to the Issue and Compliance Officer.
6. Annual reports of the Issuer Company for the last five years and promoter Group companies for last 3 years.
7. Audited Report by the statutory Auditor, M/s A L P S & Company, Chartered Accountants dated 21St January 2008 giving the financial information given in the Letter of Offer.
8. Copy of the Certificate from the statutory auditors, M/s A L P S & Company, Chartered Accountants, dated 18th January 2008 regarding tax benefits.

9. Copy of the Certificate from the statutory auditors, M/s A L P S & Company, Chartered Accountants, dated 21st January 2008 regarding the sources and deployment of funds as on 31st December 2007.

10. Letter of intent dated 21st January 2008 for the subscription to rights entitlement and unsubscribed portion, received from the Promoters.

11. Copies of Initial Listing Application made to the BSE and NSE.

12. In-principle approvals dated ----- and ----- from BSE and NSE respectively for listing of the securities offered in this issue.

13. Axis Bank Sanction Letter No. EZ/CR/509/07-08 dated 6th November 2007 for providing Term Loan and other Facilities.

14. Due Diligence Certificate dated 30th January 2008 to SEBI from the Lead Manager, VC Corporate Advisors Pvt. Ltd.

15. Copy of SEBI Observation Letter No. ----------------------- dated ------------------.

K. DECLARATION

This is to confirm that all the relevant provisions of the Act, and the guidelines issued by the Government have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Act, and rules made there under. All the legal requirements connected with this said offer as also the guidelines, instructions etc., issued by SEBI, the Government and any other Competent Authority in this behalf have been duly complied with.

Undertaking

We, the Directors of Century Extrusions Limited, declare and confirm that no information/material likely to have a bearing on the decision of the investor in respect of the equity shares offered in terms of this Letter of offer have been suppressed/ withheld and/or incorporated in a manner that would amount to misstatement /misrepresentation and in the event of it transpiring at any point of time till allotment/refund, as the case may be, that any information / material has been suppressed/ withheld and /or amounts to misstatement/ misrepresentation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of section 63 of the Act.

Since the date of last financial statement disclosed in this Letter of Offer, there have been no circumstances that materially and adversely affect or are likely to affect the profitability of the company or the value of its assets or its ability to pay off its liabilities within a period of next twelve months.

All the Directors of the Company certify that all disclosures made in the Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF CENTURY EXTRUSIONS LIMITED

Mr. M. P. Jhunjhunwala

Mr. Vikram Jhunjhunwala

Mr. R. N. Das

Mr. Madan Gopal Todi

Mr. P.K.Sengupta Alternate to Mr. Vijay Kumar Mushran

Signed by CEO & CFO
Kailash Baheti

Date   : January 21, 2008
Place : Kolkata

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