CENTURY EXTRUSIONS LIMITED

(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 Phone No : (033) 2229 1012/ 2229 1291 Fax No : (033) 2226 1110 E-Mail : sysadmin@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

ISSUE OF 3,50,00,000 EQUITY SHARES OF Re.1/- EACH, FOR CASH AT PAR, AGGREGATING RS. 3,50,00,000/- ON A RIGHTS BASIS TO THE SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 35 EQUITY SHARES FOR EVERY 12 EQUITY SHARES HELD AS ON THE RECORD DATE.

GENERAL RISKS: Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue 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 the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or the adequacy of this document. **The attention of investors is drawn to the statement of Risk Factors appearing on page nos. 4 to 13 of this Letter of Offer.**

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 context of the Issue, that the information contained in this Letter of Offer is true and correct in all material respects 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: The existing equity shares of the company are listed on the Stock Exchange, Mumbai (Designated Stock Exchange) and The National Stock Exchange. Equity Shares of the company are also listed at the Calcutta Stock Exchange (CSE). However, trading at CSE was suspended due to reduction of share capital of the Company pursuant to the scheme of arrangement of capital approved by BIFR order dated 27/08/2003. The Company 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. The Company applied for resumption of trading in the re-listed shares on 03.11.2004. In the meantime, the shareholders of the company have approved for delisting of the securities from CSE, and an application has been made for delisting of shares from CSE on 26.11.2004.

Applications will be made to the Stock Exchanges, Mumbai and the National Stock Exchange for permission to deal in and for an official quotation in respect of the equity shares of the company being offered in terms of this Letter of Offer.

Your trust is our strength	**LEAD MANAGER TO THE ISSUE** **ASHIKA CAPITAL LIMITED** **SEBI REGN NO: INM 000010536** 'Trinity', 226/1, A. J. C. Bose Road, 7th Floor, Kolkata-700 020 Phone No: (033) 2289-1551/2/3/4 Fax No. : (033) 2289-1555 E-mail: astha@ashikagroup.com		**REGISTRAR TO THE ISSUE** **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: mscal@cal2.vsnl.net.in

Issue Program

Issue Opens On	Last date for receipt of requests for split application forms	Issue Closes on

INDEX

I. DEFINITIONS \ ABBREVIATIONS

ACT	COMPANIES ACT, 1956 AND SUBSEQUENT AMENDMENTS THEREOF.
ARTICLES	ARTICLES OF ASSOCIATION OF THE COMPANY
AY	ASSESSMENT YEAR
BOARD	BOARD OF DIRECTORS OF THE COMPANY
BSE	THE STOCK EXCHANGE, MUMBAI
CAF	COMPOSITE APPLICATION FORM
CDSL	CENTRAL DEPOSITORY SECURITIES (I) LIMITED
CLIENT ID	BENEFICIARY ACCOUNT NUMBER WITH A DEPOSITORY PARTICIPANT
COMPANY/ ISSUER/ CEL	CENTURY EXTRUSIONS LIMITED
CSE	THE CALCUTTA STOCK EXCHANGE ASSOCIATION LIMITED
DSE	THE DELHI STOCK EXCHANGE ASSOCIATION LIMITED
EPS	EARNING PER SHARE
FEMA	FOREIGN EXCHANGE MANAGEMENT ACT, 1999 AND SUBSEQUENT AMENDMENTS THERETO
FIIs	FOREIGN INSTITUTIONAL INVESTORS
FY	FINANCIAL YEAR
HUF	HINDU UNDIVIDED FAMILY
IT ACT	INCOME TAX ACT 1961 AND SUBSEQUENT AMENDMENTS THEREOF
NAV	NET ASSET VALUE
NRIs	NON RESIDENT INDIANS
NSDL	NATIONAL SECURITIES DEPOSITORY LTD
NSE	THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED
OCBs	OVERSEAS CORPORATE BODIES
PAN/ GIR	PERMANENT ACCOUNT NUMBER/ GENERAL INDEX REGISTER
PAT	PROFIT AFTER TAX
PBIDT	PROFIT BEFORE INTEREST, DEPRECIATION AND TAX
PBT	PROFIT BEFORE TAX
R&TA	REGISTRAR AND TRANSFER AGENT
RBI	RESERVE BANK OF INDIA
REGISTRAR	REGISTRAR TO THE ISSUE
REGULATIONS	SECURITIES & EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 1997
ROC	REGISTRAR OF COMPANIES, WEST BENGAL, AT KOLKATA
SEBI	SECURITIES AND EXCHANGE BOARD OF INDIA

RISK FACTORS AND PROPOSALS TO ADDRESS THEM

The investors should consider the following risk factors together with all other information included in this Letter of Offer carefully, in evaluating the Company and its business before making any investment decision. Any projections, forecasts and estimates contained herein are forward looking statements that involve risks and uncertainties. Such statements use forward looking terminology like “may” ‘believes”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. The Company’s actual results could differ from those anticipated in these forward- looking statements as a result of certain factors including those, which are set forth in the “Risk Factors” below.

The Letter of Offer also includes statistical data regarding the aluminium extrusions industry. This data has been obtained from various reports and other sources that the Company and the Lead Manager believe to be reliable. Neither the Company nor the Lead Manager has independently verified such data.

A. INTERNAL TO THE COMPANY

1. **Risk Envisaged by the Management**

   The Company has accumulated losses of Rs.450.77 Lacs as on December 31, 2004. Due to the losses suffered by the company since the year 1997-98, the entire net worth of the company stood eroded as on 31.03.2001 and the company became a sick industrial undertaking as on that date. The Board for Industrial and Financial Reconstruction (BIFR), at its hearing held on 30th December, 2001, declared the 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.

   Proposals to address the risk

   As per the Rehabilitation Scheme approved by BIFR vide order dated 27th August 2003, the Company has done a One Time Settlement (OTS) of its Term Loan and Working Capital dues with its Banks. The Company has already paid full OTS dues to its Banks, and the Banks have extended fresh non-fund based limits to the Company towards its Working Capital requirement. As a result of the OTS, the interest cost of the Company has reduced significantly. There has also been an improvement in the market scenario and the Company has been able to increase its price realization as well as capacity utilization significantly over last two years. As a result of these factors, the Company has earned a net profit of Rs.61.04 lacs for the nine months period ended 31st December 2004.

2. **Risk Envisaged by the Management**

   Contingent liabilities not provided for as on the period ended 31.12.2004 as per the audited accounts are as follows:

   a. Bank Guarantees outstanding Rs.41.40 lacs and Letter of Credit issued by Banks on behalf of the Company Rs 120.00 lacs against which Rs.24.25 lacs have been deposited with the Banks as Margin Money.

   b. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs.10.05 lacs, Rs.3.93 lacs and Rs 2.89 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 1999-2000, 2000-2001 and 2001-2002 against which the Company has made ‘Appeals’ before the higher authorities.

   c. Bills discounted with banks Rs.68.65 lacs.

   d. The Company had made a one time settlement of its entire outstanding of Term Loan and Working Capital dues to its banks viz. State Bank of India and Allahabad Bank whereby the banks had waived a part of the outstanding amount. One of the conditions of waiver by Banks was a ‘Right of Recompense’ of Rs.2.43 crores to State Bank of India and Rs. 1.69 crores to Allahabad Bank against the waiver, in case of higher than projected profitability in future.

e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.104.41 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.

Proposals to address the risk
As and when the company would earn good profits, the management would approach the banks for settlement of the 'Right of recompense'. The management expects to settle the 'Right' at a fraction of the total amount, which should not have any material adverse impact on the profitability of the company.

The other 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.

3. **Risk Envisaged by the Management**
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)		
	2003-04	**2002-03**	**2001-02**
Century N F Castings Limited	(1.14)	0.22	-
Paramsukh Properties Pvt. Limited	2.53	0.59	(1.85)
Dhruv Metals Pvt. Limited	(0.04)	(0.18)	(0.09)
Vintage Capital Markets Limited	46.56	(24.29)	(1.54)

Proposals to address the risk
The performance of these companies will not affect the operations of CEL.

4. **Risk Envisaged by the Management**
The funds being raised through this Issue are not earmarked for any specific project undertaken by the Company.

Proposals to address the risk
A comprehensive rehabilitation scheme has been approved by the BIFR under section 17(2) of the Sick Industrial Companies (Special Provisions) Act 1985 vide its order dated 27th August, 2003. The Rights Issue is accordingly being made to raise the Equity Share Capital by an amount of Rs.3.50 Crores as envisaged in the Rehabilitation Scheme.

5. **Risk Envisaged by the Management**
Outstanding Litigations involving the Promoters, the Company and Promoter group companies
The promoters had taken over a sick industrial company-Sangam Aluminium Ltd. (SAL) in March 1997. SAL was also engaged in manufacture of aluminium extrusions at its manufacturing facility located at Hosur in Tamilnadu. There was severe recession in the aluminium extrusions industry subsequent to takeover of SAL by the promoters of the Company. A viable rehabilitation package could not be worked out for SAL, and the BIFR had passed an order recommending winding up of the Company. SAL is presently under winding up at the Madras High Court.

The IDBI, IFCI, ICICI, Canara Bank and Indian Bank have filed suits against SAL and also personally against Sri M. P. Jhunjhunwala and Sri Vikram Jhunjhunwala for the loans taken by SAL prior to their takeover. The total amount of money claimed in the suits filed by these Institutions and Banks is as follows:

Name of Bank / Financial Institution	Suit Details	Amount involved in the suit
Canara Bank	OA No. 81 of 2001 DRT for Karnataka, Bangalore	Rs.6,84,26,680/- + Interest
Indian Bank	OA No. 81 of 2001 DRT for Karnataka, Bangalore	Rs.6,45,50,854/- + Interest
IFCI Ltd.	OA No. 269 of 2002 DRT for Karnataka, Bangalore	Rs.9,10,86,222/- + Interest
IDBI Ltd.	OA No. 75 of 2003 DRT-I at Chennai	Rs.4,91,68,839/- + Interest
ICICI Bank.	OA No. 311 of 2003 DRT for Karnataka, at Bangalore	Rs.12,64,93,218/- + Interest

Cases filed by the Company:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1.	Haryana Irrigation	201/03 High Court, Chandigarh	Amount not paid by the party for material supplied	Case Pending	2,21,238
2.	Associated Switchgears & Projects Ltd, Ghaziabad	C/2059 of 2003 Chief Metropolitan Magistrate, Kolkata	Cheque for payment of materials supplied returned unpaid	Case Pending	2,42,746
3.	Suvidha Industries	363 of 2002 City Civil Court, Calcutta	Amount not paid by the party for material supplied	Ex parte decree passed which the party has pleaded to set aside	8,40,661
4.	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)
5.	M/s Agents Aluminium Co Ltd, Chennai	2774 of 2004, 8th Metropolitan Magistrate, Chennai	Cheque bounced	Non bailable warrants issued but directors absconding	50,000
6.	Gayathri Industries, Bangalore	371 of 2004 City Civil Court, Bangalore	Amount not paid by the party for material supplied	Next hearing on 1/4/2005	2,02,903
7.	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 4/4/2005	2,75,643 + interest
8.	State Sales Tax	WB Commercial Appellate & Revisional Board	Revisions Petition against Appeal Order for financial year 1995-96	Date of hearing awaited	36,432

9	Central Sales Tax	WB Commercial Appellate & Revisional Board	Revisions Petition against Appeal order for financial year 1996-97	Date of hearing awaited	16,855
10	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
11	State Sales Tax Central Sales Tax	Deputy Commisioner of Commercial Taxes	Appeal against Assessment order for financial year 1999-2000	Date of hearing awaited	99,297 9,05,315
12	State Sales Tax Central Sales Tax	Deputy Commisioner of Commercial Taxes	Appeal against Assessment order for financial year 1999-2000	Date of hearing awaited	4,909 2,84,103

Cases filed by Multi Metal Udyog

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	E.T.O. Zirakpur	Dy. Excise & Taxation Commissioner	Truck of our material was detained by Sales Tax Authority	Case remanded to ETO for fresh examination	176000/-
2	Joint Excise & Taxation Commissioner (A)	Sales Tax Tribunal Haryana	ST-38 was not filled in properly	Case pending	1,95,000/-

Cases filed by Jeco Exports & Finance Ltd.

Sl.No.	Name of Party	Case No. & Court	Background	Current Statu	Amount(Rs.)
1	The West Bengal Small Industries 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	150000/-

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	AC of Commercial Taxes - South Circle	Appeal against Assessment Order for Financial Year 2001-2002	Date of hearing awaited	75881.89
2	Central Sales tax	AC of Commercial Taxes - South Circle	Appeal against Assessment Order for Financial Year 2001-2002	Date of hearing awaited	68540.04

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; Purchase tax Rs 143017, Penalty Rs 25000, Interest Rs 75992	Date of hearing awaited	244009

Cases filed by Century Aluminium Mfg. Co. Ltd.					
Sl.No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Status**	**Amount(Rs.)**
1	Shri Vardhan Modi (Proprietor of M/S Metcon Enterprises)	39/1988 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Next hearing of the suit on 5/4/2005	67671.20
2	Singhania Polyester Private Ltd.	180/1995 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Next hearing of the suit on 2/4/2005	240276.32
3	Shri P.N.Mistry (Proprietor of M/S Chanddi Products)	58/1996 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Fresh summons to be served on the opponent	773820.65
4	State Sales Tax	D. C. of Commercial Taxes, South Circle	Appeal against Assessment Order for Financial Year 1995-96	Date of hearing awaited	78,504.44
5	State Sales Tax	D. C. of Commercial Taxes, South Circle	Appeal against Assessment Order for Financial Year 1996-97	Date of hearing awaited	130,722.86
6	Dy. Commissioner of Income Tax	Commissioner (Appeal) Income Tax	Denial of deduction claimed U/S 80IB of Income Tax Act, 1961	Case pending	1,909,737.00

Cases filed by Century NF Castings (A Div. of Century Aluminium Mfg. Co. Ltd.)

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	Commissioner of Customs, Faridabad	375/75-76/SL/04-RA Under Secretary, Ministry of Finance	Refund of customs duty paid on material received short by 3.86 MT & 4.240 MT	Case pending	79,860/- & 1,24,691/-
2	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/-
3	Excise & Taxation Commissioner Haryana	CWP No. 18584 of 2003 High Court Chandigarh	Challenge of applicability of LADT Act	Case pending	
4	Assessing Authority	Jt. Excise & Taxation Commissioner (A)	Assessing Authority demanded tax under LADT ACT for Rs.61,04,000/- & 152,26,400/- for the years 2001-02 and 2002-03	Case remanded to assessing authority for fresh assessments	61,04,000/- & 152,26,400/-
5	Electroset Aqua Purifiers Ltd.	Distt. Consumer DR Forum Faridabad	R.O. System (Drinking water purifier) is not working properly	Case pending	45,600/-
6	United India Insurance Co. Ltd.	Distt. Consumer DR Forum Faridabad	Claim was rejected by Insurance Co. for material misplaced in transit.	Case pending	4,62,359/-
7	Gurdial Singh & Sons	Ilaka Magistrate, Faridabad	Bouncing of cheques	Case pending	3,02,002/-

Cases filed against Vintage Capital Markets Limited.

Sl. No.	Name of Party	Case No. & Court	Background	Current Status	Amount
					Rs.
1	Shatrughan Prasad Gupta	Money Suit 48/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	227,130.09
2	Moti Prasad	Money Suit 49/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	193,089.00
3	Jai Nath Thakur	Money Suit 51/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	216,494.20
4	Bhola Mishra	Money Suit 52/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	228,915.70
5	Md. Akhtar Ansari	Money Suit 47/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	230,068.80
6	Divikant Mishra	Money Suit 10/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,880.00
7	Ramanuj Yadav	Money Suit 4/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,876.00
8	Umesh Kumar Yadav	Money Suit 50/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	192,695.10

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-700 071	Case Pending	N.A.

6. **Risk Envisaged by the Management**
The shares of the company have been suspended for trading on CSE.

Proposals to address the risk
The equity shares of the company are listed at NSE & BSE. These stock exchanges provide screen based trading which is widely accessible from different locations of India.

7. **Risk Envisaged by the Management**
The Company had incurred losses from F.Y. 1997-98 to 2002-03. The Company had negative networth of Rs.2717 lacs as on 31.03.2003.

Proposals to address the risk
As a part of the rehabilitation package approved by BIFR, out of the accumulated loss of Rs.2717 lacs on 31/03/2003, 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 the 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. Further, the Company entered into a one-time settlement of dues with its Bankers. As a result of these measures and subsequent improvement in the operations of the Company, the accumulated loss has substantially reduced to Rs.450.77 lacs as on 31/12/2004.

8. **Risk Envisaged by the Management**
The Company has unsecured loan of Rs.529.5 lacs which is repayable on call.

B. EXTERNAL TO THE COMPANY

1. Risk Envisaged by the Management
Competition in the Industry
The Company operates in a competitive scenario comprising a large number of Indian players. Further, the Company faces competition from the unorganized sector.

Proposals to address the risk
The company aims to keep abreast with the dynamic business scenario and has broad based its product mix to be competitive in the market. The company has stepped up its sale to end use customers where the sales realizations are better as well as more stable.

2. Risk Envisaged by the Management
Risk of political instability
The performance of the Company may be affected by a number of factors beyond its control including political and economic developments both in India and worldwide. In addition, these conditions may have an adverse impact on the financial markets in India and may cause the market price of company's equity shares on stock exchange to decline.

Proposals to address the risk
Although the above risk factor is generic in nature, the management is aware of the risk and would address the same through appropriate risk management strategies.

3. Risk Envisaged by the Management

Risk of Regulatory Uncertainty

Major policy changes relating to Import-Export / Customs duty and change in relevant taxes, legal and administrative regime, accounting practices & government policies may have an impact on Company's financial performance.

Proposals to address the risk

The company does not foresee any adverse changes in Government Policies or regulations, which may affect the growth and profitability of the industry in general.

NOTES:

1. The investors are advised to refer to the para on "Basis for Issue Price" before making an investment in this issue.

2. Investors may note that in case of over-subscription, the allotment shall be on proportionate basis and will be finalised in consultation with The Stock Exchange, Mumbai (Designated Stock Exchange).

3. The pre issue shareholding of the promoters/directors is 50.57% of the present paid up share capital. In case of full subscription in the present rights issue, the post issue shareholding of the promoters/directors in the Company will remain at 50.57% of the post issue capital. The promoter / Directors have undertaken to subscribe to the unsubscribed portion, if any, in this rights issue. Assuming that no subscription is received from the public shareholders, and promoters/directors subscribe to entire unsubscribed portion, the holding of promoters/directors will increase to 87.38% of post issue capital.

4. Net worth of the Company as on 31/12/2004 (audited) is (-) Rs.330.77 Lacs.

5. All information is being made available by the lead manager and the company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports, etc.

6. The Rights Issue comprises of 3,50,00,000 equity shares of Re.1/- per share at par aggregating to Rs. 350.00 lacs in the ratio of thirty five equity shares for every twelve equity shares held as on _________(i.e…………).

7. Cost per share to the promoters (other than friends, relatives & associates)

Name of the promoter	Average cost of acquisition per share (Rs.)
Sri M. P. Jhunjhunwala	16.19
Sri Vikram Jhunjhunwala	13.00

8. The book value of the equity shares of the company as on December 31, 2004 is (-) Rs.2.76 per equity share.

9. **Related Party Transactions** :

   a) Names of related parties:

Sl.No.	Name of Party	Relationship
1.	Century Aluminium Mfg. Co. Ltd	Associate concern
2.	Vintage Capital Markets Ltd	Associate concern
3.	Ensa Properties & Finance Pvt. Ltd	Associate concern
4.	Paramsukh Properties & Finance P. Ltd	Associate concern
5.	Dhruv Metals Pvt Ltd.	Associate concern
6.	Century NF Castings Ltd	Associate concern
7.	Multi Metal Udyog	Associate concern
8.	Nandadevi Sales Agency	Associate concern

b) Key Management Personnel & their relatives:

Sl. No.	Name of Person	Relationship
1.	Shri M P Jhunjhunwala	Chairman & Managing Director
2.	Smt. Sita Devi Jhunjhunwala	Wife of Shri M P Jhunjhunwala
3.	Shri Vikram Jhunjhunwala	Son of Shri M P Jhunjhunwala
4.	Smt. Saroj Saraf	Daughter of Shri M P Jhunjhunwala
5.	Smt.Shashi Khaitan	Daughter of Shri M P Jhunjhunwala
6.	Smt.Sarita Modi	Daughter of Shri M P Jhunjhunwala

During the period 01.04.2004 to 31.12.2004, the following transactions have taken place between the Company and its related parties:

(Rs. Lacs)

Sl. No.	Nature of Transactions	Associate Concern	Key Management Personnel	Relatives of Key Management Personnel
1.	Purchase of goods	3709.29	-	-
2.	Sale of goods	75.48	-	-
3.	Rent Paid	4.15	-	0.17
4.	Interest Paid	0.18	-	-

Outstanding Balances as on 31st December, 2004.

(Rs. Lacs)

Sl. No.	Nature of Transaction	Associate Concern	Key Management Personnel
1.	Loans & Advances	35.00	-
2.	Sundry Creditors	139.84	-
3.	Unsecured Loans	-	55.00
4.	Sundry Debtors	0.10	-

During the year 2003-2004 the following transactions have taken place between the Company and its related parties:

(Rs. Lacs)

Sl. No.	Nature of Transactions	Associate Concern	Key Management Personnel	Relatives of Key Management Personnel
1.	Purchase of goods	5324.36	-	-
2.	Sale of goods	97.98	-	-
3.	Rent Paid	5.11	-	-
4.	Interest Paid	0.24	-	-

Outstanding Balances as on 31st March, 2004

(Rs. Lacs)

Sl. No.	Nature of Transaction	Associate Concern	Key Management Personnel
1.	Loans & Advances	35.00	-
2.	Sundry Creditors	148.09	-
3.	Unsecured Loans	-	55.00
4.	Sundry Debtors	27.88	-

During the year 2002-2003 the following transactions have taken place between the company and its related parties:

(Rs. Lacs)

Sl. No.	Nature of Transactions	Associate Concern	Key Management Personnel	Relatives of Key Management Personnel
1.	Purchase of goods	4633.81	-	-
2.	Sale of goods	136.12	-	-
3.	Rent Paid	4.74	-	0.10
4.	Interest Paid	0.21	-	-

Outstanding Balances as on 31st March, 2003

(Rs. Lacs)

Sl. No.	Nature of Transaction	Associate Concern	Key Management Personnel
1.	Loans & Advances	35.00	-
2.	Sundry Creditors	109.97	-
3.	Unsecured Loans	-	55.00
4.	Sundry Debtors	13.42	-

HIGHLIGHTS:

1. Promoters/Directors have a wide experience in the Aluminum Industry.
2. The company has been awarded ISO 9001:2000 certification by DNV for its Quality Management Systems for manufacture of Aluminium Extruded Products.
3. The present Right Issue is as per the scheme of rehabilitation approved by BIFR vide its order dated 27/08/2003.

PART I

Dear Shareholders(s)

SUB: ISSUE OF 3,50,00,000 EQUITY SHARES OF Re.1/- EACH, FOR CASH AT PAR, AGGREGATING RS.3,50,00,000/- ON A RIGHTS BASIS TO THE SHAREHOLDERS OF THE COMPANY IN THE RATIO OF 35 (THIRTY FIVE) EQUITY SHARES FOR EVERY 12 (TWELVE) EQUITY SHARES HELD AS ON THE RECORD DATE.

The Board of Directors of the Company (hereinafter referred to as "The Board"), pursuant to a special resolution passed at the Extra Ordinary General Meeting held on 31st October 2003, and the Board Resolution dated 26th September, 2003 have decided to offer 3,50,00,000 equity shares at Re.1/- each for cash at par, aggregating to Rs.350 Lacs, to the existing equity shareholders of the company on rights basis in the ratio of thirty five equity shares for every twelve equity shares held as on Record Date.

I. GENERAL INFORMATION

NAME AND ADDRESS OF THE COMPANY:
Century Extrusions Limited

Registered Office : 113,Park Street, 'N' Block , 2nd Floor,
Kolkata- 700 016
Phone No.: (033) 2229 1012 / 2229 1291
Fax No.: (033) 2226 1110
E-Mail: sysadmin@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

LISTING

The existing equity shares of the company are listed on the Stock Exchange, Mumbai (Designated Stock Exchange) and The National Stock Exchange. Equity Shares of the company are also listed at the Calcutta Stock Exchange (CSE). However, trading at CSE was suspended due to reduction of share capital of the Company pursuant to the scheme of arrangement of capital approved by BIFR order dated 27/08/2003. The Company 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. The Company applied for resumption of trading in the re-listed shares on 03.11.2004. In the meantime, the shareholders of the company have 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 company has been regular in complying with the provisions of the listing agreement entered with the stock exchanges. Application will be made to BSE and NSE for listing and trading permission for the equity shares being issued pursuant to this Letter of Offer. If the permissions to deal in and for an official quotation of the equity shares are not granted by the BSE & NSE, the Company shall forthwith repay, without interest, all monies received from the applicants. In case of delay interest shall be paid in accordance with the provisions of Section 73 of the Act.

ISSUE PROGRAMME

The subscription list will open at the commencement of banking hours and will close at the close of banking hours on the days as mentioned below:

Issue Opens On	Last date for receipt of requests for split application forms	Issue Closes on

ISSUE MANAGEMENT TEAM:

LEAD MANAGER TO THE ISSUE:
ASHIKA CAPITAL LIMITED
SEBI Regn. No. INM 000010536
'Trinity', 226/1, A. J. C. Bose Road,
7th Floor, Kolkata-700 020
Phone No: (033) 2289-1551/2/3/4
Fax No. : (033) 2289-1555
E-mail: astha@ashikagroup.com

REGISTRAR TO THE ISSUE:
MCS Ltd.
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: mscal@cal2.vsnl.net.in

BANKER TO THE ISSUE:

COMPANY SECRETARY & COMPLIANCE OFFICER:
Mr. Sumit Modi
113,Park Street,
'N' Block , 2nd Floor,
Kolkata- 700 016
Phone No.: (033) 2229 1012 / 2229 1291
Fax No.: (033) 2226 1110/ 2282 4540
E-Mail: sumit@centuryextrusions.com

BANKERS TO THE COMPANY:

1. **State Bank of India**
   Industrial Finance Branch
   Kolkata - 700 017

2. **Allahabad Bank**
   Wellesly Street Branch,
   Kolkata - 700 016

AUDITORS TO THE COMPANY:
Khetawat & Associates
Chartered Accountants
310, Todi Chambers,
2, Lal Bazar Street,
Kolkata-700 001

UNDERWRITERS TO THE ISSUE:
The proposed issue of equity shares is not being underwritten.

CREDIT RATING/DEBENTURE TRUSTEE:
This being a Rights issue of equity shares, credit rating and appointment of Debenture trustees is not required.

APPLICATION IN FICTITIOUS NAMES:
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."

ALLOTMENTS / REFUNDS
All share certificates / letters of allotment and refund orders of value over Rs.1500/- will be dispatched by registered post and refund orders of value less than Rs.1500/- will be dispatched under certificate of posting, at the sole risk of the applicant, within seven weeks from the date of closure of the subscription list. In case of any delay on the part of the company, the company will pay interest at the rates prescribed in sub-sections (2) and (2A) of section 73 of the Act.

DECLARATION

The Board of Directors of Century Extrusions Limited states that:-

i) All the complaints in respect of the Rights Issue shall be attended to by the Company expeditiously and satisfactorily.
ii) That the Company shall take necessary steps for the purpose of getting the securities listed on the concerned stock exchanges within the specified time.
iii) That the funds required for dispatch of refund orders/ allotment letters/ certificates by registered post shall be made available to the Registrar to the Issue by the Company.
iv) That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time.
v) That no further issue of securities shall be made till the securities offered through this offer document are listed or till the application money is refunded on account of non-listing, under-subscription etc.
vi) All monies received against this 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 Companies Act, 1956.
vii) Details of all monies utilized out of issue referred to in sub-item (vi) shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the purpose for which such monies had been utilized; and
viii) Details of all unutilized monies out of the present issue, if any, referred to in sub-item(vi) shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the form in which such unutilized monies have been invested.

MINIMUM SUBSCRIPTION
If the Company does not receive the minimum subscription of 90% of the issue, the entire subscription will 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 pay the subscription amount (i.e. forty two days after the 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 Companies Act, 1956.

II. IMPORTANT INFORMATION

1. This offer is made to the existing equity shareholders of the Company whose names appear on the Register of Members of the Company as on __________ (the 'Record Date').
2. Subscription received against this issue would be kept in separate bank accounts and the Company would not have access to such funds unless it has received a minimum subscription of 90% of the issue, and the permission of The Stock Exchange, Mumbai (being the Designated Stock Exchange) to use the amount of subscription received. The Company will obtain the permission of The Stock Exchange, Mumbai by producing sufficient documentary evidence of subscription to the extent of 90% after closure of the issue, to utilize the funds collected as per the present issue.
3. This offer is being made to the existing Equity Shareholders of the Company (hereinafter referred to as "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 at the close of the business hours on the record date……….
4. 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.
5. The issue shall be kept open for a minimum of 30(thirty) days but not exceeding 60(sixty) days.
6. It is to be specifically noted that the issue of equity shares is subject to Risk Factors appearing on page no. 4 to 13 of the Letter of Offer.
7. In terms of section 6(3)(b) of the Foreign Exchange Management Act, 1999, the RBI has given general permission to Indian Companies to offer securities to a person resident outside India on a rights basis subject to terms and conditions stipulated under para 6 of the notification no.FEMA 20/2000-RB dated 3rd May, 2000.
8. As per Regulation 6(2) of the Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations 2000, framed under the Foreign Exchange Management Act, 1999 general permission has been granted to Indian Companies to offer securities on a rights basis to persons resident outside India.
9. Vide Notification number FEMA 20/2000-RB dated May 03, 2000 and FEMA 76/2002-RB dated November 12, 2002 RBI has given permission to Indian Companies to issue rights shares to NRI's. Hence, company does not need an in-principle approval for the issue of shares to NRI's on repatriation basis within the sectoral cap (if any) prescribed under FEMA.
10. Please read this Letter of Offer and the instructions contained in the accompanying Composite Application Form (hereinafter referred to as 'CAF') carefully before making any investment in the issue.
11. The instructions contained in the enclosed CAF are an integral part of this Letter of Offer and must be carefully followed. Applications not conforming to the instructions are liable to be rejected.
12. All enquiries/ communications and clarifications in connection with this Letter of Offer should be addressed to the Registrar to the Issue quoting the Registered Folio Number, CAF No. and the name of the first shareholder as mentioned in the CAF at the following address:

MCS Limited
77/2A, Hazra Road,
Kolkata – 700 029
Phone No: (033) 2454-1892/3
Fax: (033) 2454-1961/2474-7674
E-mail: mscal@cal2.vsnl.net.in
SEBI Regn No. : INR000000056

Under no circumstances should any request be sent to the Lead Managers to the offer.

13. Adequate Funds will be provided to the Registrar to the Offer for posting of the Refund Orders/ Letters of Allotment/ Share Certificates by registered post wherever applicable.

14. ELIGIBILITY

Century Extrusions Limited is an existing listed Company. It is eligible to offer equity shares on a Rights basis in terms of Clause 2.4.1 (iv) of the SEBI(DIP) Guidelines, 2000 and subsequent amendments thereto.

The Company, its Promoters, its Directors or any of the Company's 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 or direction passed by SEBI.

15. AUTHORITY FOR THE PRESENT ISSUE

The Board of Directors of the Company in pursuance to a resolution passed at a Meeting held on 26.09.2003 have decided to offer 3,50,00,000 equity shares of Re.1/- each for cash at par aggregating to Rs.350.00 lacs to the existing equity shareholders of the Company on rights basis in the ratio of Thirty-Five equity shares for every Twelve equity shares (i.e. 35:12) held as on ………….. (“Record Date”).

The present issue of equity shares pursuant to Section 81 and 81 (1A) of the Companies Act, 1956 on a rights basis has been approved by the members of the Company vide Special Resolution passed at the Extra Ordinary General Meeting of the members held on 31.10.2003.

16. GOVERNMENT / STATUTORY APPROVALS

The company has the following approvals / registrations:

1. Factory Licence No. 12316, Registration No. 2MD/X/90 dated 21.12.1990 – applied for renewal vide letter dated 22nd December 2004 for the year 2005.

2. Trade Licence from the Kolkata Municipal Corporation bearing Demand No. 3061 1800 2770 for the year 2004 – 05.

3. Certificate of Registration under West Bengal Sales Tax Act 1994 – Registration No. 19200481186 dt. 10/03/2005.

4. Certificate of Registration under Central Sales Tax Act 1947 – Registration No. 19200481283 dt. 10/03/2005.

5. Value Added Tax (VAT) Registration No. 19200481089 dt. 10/03/2005.

6. Central Excise Registration Certificate bearing No. AABCC 1791 IN XM 001 dt. 10.07.2003.

7. West Bengal Pollution Control Board Consent Letter No. C 00 7110 and Memo No.139-163/WPB(HRO) - K/01 dated 04.07.04 valid up to 31.12.2005.

The company has taken all the necessary consents, licences, permissions and approvals from the Government and various government agencies required for its business activities and no further approvals from any Government authorities are required. It must, however, be distinctly understood that in granting the above consents / licences / permissions / approvals, the Government does not take any responsibility for the financial soundness of the company or for the correctness of any of the statements or any commitments made or opinions expressed.

17. SECURITIES & EXCHANGE BOARD OF INDIA - DISCLAIMER CLAUSE:

As required a copy of this Letter of Offer has been submitted to SEBI.

It is to be distinctly understood that the submission of this Letter of Offer to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility 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 offer document. Lead Manager M/s. Ashika Capital Limited has certified that the disclosures made in the Letter of Offer are generally adequate and are in conformity with SEBI guidelines for disclosures 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, M/s. Ashika Capital Limited has furnished to SEBI a Due Diligence Certificate dated ……………….. in accordance with SEBI (Merchant Bankers) Regulation 1992 which reads as follows:

(i) We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalization of the Letter of Offer pertaining to the said issue.
(ii) 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, projected profitability, 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; and
(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 the investment in the proposed issue.

(iii) We confirm that besides ourselves, all the Intermediaries named in the Letter of Offer are registered with SEBI and that 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 of the Companies Act, 1956, or from the requirement of obtaining such statutory or other clearances 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 for any irregularities or lapses in the Letter of Offer.

The promoters / directors of Century Extrusions Limited viz. Sri M. P. Jhunjhunwala, Sri V. Jhunjhunwala, Sri R. K. Datta, Sri R. N. Das, Sri P. K. Sengupta and Sri G. S. Agarwala declare and confirm that no information/material likely to have a bearing on the decision of investors in respect of the shares offered in terms of this Letter of Offer has been suppressed withheld and / or incorporated in the manner that would amount to mis-statement/misrepresentation and in the event of its transpiring at any point in time till allotment/refund as the case may be, that any information/material has been suppressed/with held and/ or amounts to a mis-statement/mis-representation, the promoters/directors undertake to refund the entire application monies to all subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

18. DISCLAIMER IN RESPECT OF JURISDICTION

The 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.

19. DISCLAIMER CLAUSE OF THE STOCK EXCHANGE, MUMBAI (BSE):

The Stock Exchange, Mumbai has given the permission to CEL vide their letter dated __________ to use their name in this Offer Document as one of the stock exchanges on which CEL equity shares are proposed to be listed. Delhi Stock Exchange has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to CEL. The exchange does not in any manner:

a. Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document or
b. warrant that CEL securities will be listed or will continue to be listed on the Exchange, or
c. take any responsibility for the financial or other soundness of CEL, its promoters, its management or any scheme or project of CEL.

and it should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquires any securities of this issuer may do so pursuant to an independent inquiry or any 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.

20. DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE):

The National Stock Exchange has given the permission to CEL vide their letter dated __________ to use their name in this Offer Document as one of the stock exchanges on which CEL equity shares are proposed to be listed. The National Stock Exchange has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to CEL. The exchange does not in any manner:

a. Warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document or
b. warrant that CEL securities will be listed or will continue to be listed on the Exchange, or
c. take any responsibility for the financial or other soundness of CEL, its promoters, its management or any scheme or project of CEL.

and it should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquires any securities of this issuer may do so pursuant to an independent inquiry or any 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.

21. FILING

A copy of this Letter of Offer has been filed with SEBI Eastern Regional Office at Kolkata, BSE and NSE. This Letter of Offer is not required to be filed with the Registrar of Companies.

22. STATUTORY DECLARATIONS

a. Subscription received against the issue will be kept in specific bank accounts and the company will not have access to such funds unless it has received minimum subscription of 90% of application money towards this issue and the permission of the Designated Stock Exchange at Mumbai, is obtained to use the amount of subscription. The Company will obtain the permission of BSE (Designated Stock Exchange) by producing sufficient documentary evidence of subscription to the extent of 90% or more on the closure of issue to utilize the funds collected as per the present rules.

b. The Board of Directors of Century Extrusions Limited (hereinafter referred to as 'The Board') have decided to make this offer to the Shareholder(s) pursuant to a resolution passed at the Extra Ordinary General Meeting held on 31.10.2003 and the board resolution dated 26.09.2003.

c. The company, its directors, the company's associates, group companies and companies with which any of the directors of the Issuer are associated as directors or promoters, have not been prohibited from accessing the capital market under any order or directions passed by SEBI.

23. CORPORATE GOVERNANCE

The company has complied with SEBI guidelines in respect of corporate governance especially with respect to broad basing of the Board of Directors and constitution of the following committees:

- Audit Committee
- Share Transfer and Shareholders' / Investors' Grievances Committee

The details of these committees are provided elsewhere in this document.

24. APPROVALS

The company has all the necessary approvals from government / municipal authorities and the Reserve Bank of India as required for carrying on its present business.

25. CAUTION STATEMENT / COMPANY DISCLAIMER

The Issuer Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or in any other material issued by or at the instance of the company and the Lead Manager and anyone placing reliance on any other source of information would be doing so at his/her/their own risks.

26. INFORMATION ABOUT THE ISSUE AND THE ISSUER

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 any section of the investors in any manner whatsoever, including at road shows, presentations, in research or sales reports, at bidding centers etc.

III. CAPITAL STRUCTURE OF THE COMPANY

(Rs. in Lacs)

PARTICULARS	NOMINAL VALUE	AGGREGATE VALUE
A. AUTHORISED:		
12,00,00,000 Equity Shares of Re.1/-* each	1200.00	1200.00
B. ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
1,20,00,000 Equity Shares of Re.1/-* each	120.00	120.00
C. PRESENT ISSUE:		
3,50,00,000 Equity Shares of Re.1/-* each	350.00	350.00
D. PAID UP SHARE CAPITAL AFTER THE ISSUE:		
4,70,00,000 Equity Shares of Re.1/-* each	470.00	470.00
E. SHARE PREMIUM ACCOUNT		
Before the Issue	-	
After the Issue	-	

*****Face value of Rs.10/- per share reduced to Re.1/- per share pursuant to BIFR Order dated 27/08/2003.

NOTES ON THE CAPITAL STRUCTURE OF THE COMPANY:

1. Details of Increase in Authorised Capital:

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

2. The equity shares of the Company of face value Rs.10/- each were reduced to equity shares of face value of Re.1/- each as on 30.10.2003 pursuant to the Order of the BIFR dated 27.08.2003. The shareholders of the company had approved reduction of Equity share Capital vide a special resolution passed at the Extra Ordinary General Meeting held on 24.06.2003. The equity shares of the Company presently have a face value of Rs.1/- each.

3. The current capital structure of the company has been built-up as under:

Date of allotment	No. of Shares	Face value (Rs.)	Issue Price (Rs.)	Nominal value (Rs.)	Nominal value after Capital Reduction (face value reduced to Re.1 per share by writing off 90% of the paid up value against accumulated	Consideration	Remarks

					losses)		
13.01.1988	700	10	10	7,000	700	Cash	Subscribers to Memorandum
19.05.1988	19300	10	10	1,93,000	19,300	Cash	Allotment to Promoters
19.03.1990	3827000	10	10	38,270,000	38,27,000	Cash	Public Issue
12.10.1992	2186706	10	10	21,867,060	21,86,706	Cash	Rights Issue
27.02.1995	532025	10	10	5,320,250	5,32,025	Non-Cash*	OTS with IDBI & ICICI
27.03.1995	199121	10	10	1,991,210	1,99,121	Non-Cash**	OTS with IFCI
26.05.1995	1000000	10	10	10,000,000	10,00,000	Cash	Private Placement to Promoters
30.11.2000	4249048	10	10	42,490,480	42,49,048	Cash	Private Placement to Promoters
SUB-TOTAL	**1,20,13,900**			**12,01,39,000**	**1,20,13,900**		
16.03.1994	(13900)# shares forfeited & cancelled	10	10	(1,39,000)	(13,900)		

* 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.

The present issue of Equity shares on Rights basis is as per the order of BIFR dated 27.08.2003.

Lock-in period shares

Since the Issue is a Rights Issue, promoters' contribution and lock-in provisions are not applicable.

4. Present Rights Issue:

Type of Instrument	Ratio	Issue Price (Rs.)	No. of Shares	Nominal Value (Rs.)	Issue size (Rs.)
Equity Shares	35:12 (Thirty five Shares for every Twelve equity shares)	Face value of Re.1/- each	3,50,00,000	3,50,00,000	3,50,00,000

5. The pre issue and post issue shareholding pattern of the company is given as below:

Particulars	**Pre Issue Shareholding as on 31/12/2004**		**Post Issue Shareholding (Assuming 100% subscription towards right issue)**	
	No. of equity shares	**% to present share capital**	**No. of equity shares**	**% to present share capital**
Promoter Group / Directors	6067847	50.57	23765734	50.57
Financial Institutions & Nationalised Banks	436421	3.63	1709315	3.63
Mutual Funds	3300	0.03	14100	0.03
Foreign Institutional Investors	-	-	-	-
Corporate Bodies	1867535	15.56	7314512	15.56
NRIs/OCBs	3600	0.03	14100	0.03
Public	3621297	30.18	14183413	30.18
Total	**12000000**	**100.00**	**47000000**	**100.00**

The shareholding pattern of the promoter group as on 31/12/2004 is as detailed below:

	Particulars	**Name**	**Present** No of Equity Shares of Re 1/- each	**% of Present Capital**	**Post Rights Issue** No of Equity Shares of Re 1/- each	**% of Present Capital**
a	Promoters	M P Jhunjhunwala	199600	1.66	781767	1.66
		Vikram Jhunjhunwala	500	0.00	1958	0.00
			200100	**1.67**	**783725**	**1.67**
b	Directors & Relatives, friends and associates of promoters	Gouri Shankar Agarwala	452100	3.77	1770725	3.77
		Suvidhi Financial Services Ltd.	1750000	14.58	6854167	14.58
		Bhairav Leasing & Finance (P) Ltd.	399524	3.33	1564802	3.33
		Moulshree Jhunjhunwala	445700	3.71	1745658	3.71
		Sita Devi Jhunjhunwala	221500	1.85	867542	1.85
		Mohan Agarwal	380000	3.17	1488333	3.17
		Vintage Securities Ltd	100	0.00	392	0.00
		Shivanshu Jhunjhunwala	25000	0.21	97917	0.21
			3673924	**30.62**	**14389536**	**30.62**
c	Companies in which 10% or more of the share capital is held by the promoter / his immediate relatives / firms, or HUF in which the promoter, his immediate relative is a member	Jeco Exports & Finance Ltd.	1266225	10.55	4959381	10.55
		Vintage Capital Markets Ltd.	321798	2.68	1260376	2.68
		Paramsukh Properties (P) Ltd.	227500	1.90	891042	1.90
		Century Aluminium Mfg Co Ltd	2000	0.02	7833	0.02
		Atash Properties & Finance (P) Ltd	102300	0.85	400675	0.85
			1919823	**16.00**	**7519307**	**16.00**
d	Companies in which company mentioned in c	Kutir Udyog Kendra (I) Ltd.	231000	1.93	904750	1.93

	above holds 10% or more of the share capital					
			231000	**1.93**	**904750**	**1.93**
e	HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total	Madhab Prasad & Sons (HUF)	43,000	0.36	168417	0.36
		Total	**6067847**	**50.57**	**23765734**	**50.57**

9. The above shareholding pattern has been prepared assuming that the issue will be fully subscribed by every shareholder and all the shareholders shall only get shares equivalent to their respective entitlements. The promoters propose to subscribe to following shares against their entitlements:

Name	Present holding	Entitlement	No. of shares intended to apply
M P Jhunjhunwala	199600	582167	5500000
Vikram Jhunjhunwala	500	1458	100000

In case of over subscription, allotment to promoters shall be made to the extent of their entitlement plus proportionate excess shares as he may be eligible to get as per the relevant SEBI guidelines / Stock Exchange regulations / other relevant statutory provisions.

Further, in case of under-subscription, the promoter/ promoter group intends to apply for additional shares to make the Rights Issue fully subscribed to the extent of 100% of the Offer. Application(s) for additional shares by Promoter / Promoter group in excess of their respective rights entitlements will be governed by the first proviso to Regulation 3 (1) (b) of the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

10. The post rights shareholdings of the relatives, friends and associates of the promoters cannot be determined as the Company / the promoters do not have notice of their intentions. Shares to the extent not subscribed by the relatives and friends of the promoters will be subscribed to by the promoter/promoter group and such subscription will be governed by the exemptions to Regulations 10, 11 and 12 of the SEBI (SAST) Regulations, as provided in Regulation 3 (1)(b) read with Regulation 3 (1) (e) thereof.

11. The inter-se transfer (renunciation) of rights entitlements within the Promoters, their relatives and friends & promoter group companies and subscription to additional shares as described above, if any, will not attract the provisions of Regulations 10, 11 and 12 of the SEBI (SAST) Regulations 1997 and subsequent amendments thereto.

12. The above disclosures are made to conform to the disclosure requirements for availing of the exemptions to Regulations 10, 11 and 12 of the SEBI (SAST) Regulations. In this respect it is further disclosed that there will be no change in control of management of the Company pursuant to the promoters subscribing to additional shares as described herein.

13. The Promoters have confirmed that they intend to subscribe to the full extent of their entitlement in the issue. Further, in case of under-subscription, the promoter/ promoter group intends to apply for additional shares to make the Rights Issue fully subscribed to the extent of 100% of the Offer. 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 issue"), there is no other intention/purpose for this issue, including any intention to de-list 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 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 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 will either individually or jointly with other promoters 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 directly by SEBI or any appropriate authority."

14. Details regarding the ten largest shareholders are given below:

i) Top 10 Equity Shareholders as on 18/03/2005 (to be updated at the time of Stock Exchange filing)

Sr. No.	Shareholders Name	No. of Shares	% of Issued Capital
1.	Suvridhi Financial Services Ltd.	1750000	14.58
2.	Jeco Exports & Finance Ltd.	1266225	10.55
3.	Gouri Shankar Agarwala	452000	3.77
4.	Moulshree Jhunjhunwala	445700	3.71
5.	Mohan Agarwal	380000	3.17
6.	Bhairav Leasing & Finance Pvt. Ltd.	374524	3.12
7.	Bakra Pratisthan Ltd.	364524	3.04
8.	Vintage Capital Markets Ltd.	320248	2.67
9.	Utility Vincom (P) Ltd.	300000	2.50
10.	West Bengal Industrial Development Corporation Limited	234000	1.95

ii) Top 10 Equity Shareholders as on 08/03/2005 (10 days prior to date of filing with SEBI) (to be updated at the time of Stock Exchange filing)

Sr. No.	Shareholders Name	No. of Shares	% of Issued Capital
1.	Suvridhi Financial Services Ltd.	1750000	14.58
2.	Jeco Exports & Finance Ltd.	1266225	10.55
3.	Gouri Shankar Agarwala	452000	3.77
4.	Moulshree Jhunjhunwala	445700	3.71
5.	Mohan Agarwal	380000	3.17
6.	Bhairav Leasing & Finance Pvt. Ltd.	374524	3.12
7.	Bakra Pratisthan Ltd.	364524	3.04
8.	Vintage Capital Markets Ltd.	320248	2.67
9.	Utility Vincom (P) Ltd.	300000	2.50
10.	West Bengal Industrial Development Corporation Limited	234000	1.95

iii) Top 10 Equity Shareholders as on 18/03/2003 (2 years prior to date of filing with SEBI) (to be updated at the time of Stock Exchange filing)

Sr. No.	Shareholders Name	No. of Shares	% of Issued Capital
1.	Suvridhi Financial Services Ltd.	1750000	14.58
2.	Jeco Exports & Finance Ltd.	1266225	10.55
3.	Suvidha Stock Broking Services (P) Ltd.	595000	4.99
4.	Gouri Shankar Agarwala	452000	3.77
5.	Mohan Agarwal	380000	3.17
6.	Bhairav Leasing & Finance Pvt. Ltd.	374524	3.12
7.	Bakra Pratisthan Ltd.	364524	3.04
8.	Sarla Devi Jhunjhunwala	361200	3.01
9.	Vintage Capital Markets Ltd.	320248	2.67
10.	Priya Vinimay (P) Ltd.	300000	2.50

15. Other Notes to the Capital Structure

a. The Promoters undertake to inform the Issuer company and the Issuer undertakes to report to the concerned stock exchanges, all transactions in shares by the promoters, promoter group and the immediate relatives of the promoters, within 24 hours of the transactions entered into, from the date of filing the draft Letter of Offer with SEBI till the date of closure of the Issue.

b. The total issue price is due on application, and as such the securities offered through this rights issue will be fully paid up on allotment. Accordingly all shares will be fully paid up with in the maximum period of 12 months from the date of allotment of the shares under this issue.

c. Promoters/ directors, their relatives and their associates have not either directly or indirectly financed any transaction in the securities of the Company during the preceding six months.

d. The total number of shareholders of the Company as on 18/03/2005 is 9960.

e. The Issuer undertakes that at any given time there shall be only one denomination for the shares of the Company and that the Issuer shall comply with such disclosure and accounting norms specified by SEBI from time to time.

f. The Company has not raised any bridge loan against the proceeds of this issue. However, the company reserves the right to raise any bridge loans at the appropriate time.

g. The Company/ Directors/ Lead Managers have not entered into any buyback and/ or standby arrangements for purchase of equity shares of the Company with any person.

h. As on date there are no pending warrants, options, rights to convert any debenture(s), loan(s) or other instrument(s) entitling any person to get further shares in the Company.
i. The Company has not entered into any contract or arrangement preceding the date of this Letter of Offer whereby any option or preferential right of any kind has been given to any person(s) to subscribe for any shares of the Company.
j. The issuer undertakes that no further issue of capital will be made whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or by the way of share swap under any scheme of merger / amalgamation, or in any other manner, during the period commencing from the submission of Letter of Offer to SEBI till the securities have been listed or all monies have been refunded to all investors.

IV. TERMS OF THE PRESENT ISSUE

AUTHORITY FOR THE PRESENT ISSUE

The Board of Directors of the Company in pursuance to a resolution passed at a Meeting held on 26.09.2003 have decided to offer 3,50,00,000 equity shares of Re.1/- each for cash at par aggregating to Rs.350.00 lacs to the existing equity shareholders of the Company on rights basis in the ratio of Thirty-Five equity shares for every Twelve equity shares (i.e. 35:12) held as on ………….. ("Record Date").

The present issue of equity shares pursuant to Section 81 and 81 (1A) of the Companies Act, 1956 on a rights basis has been approved by the members of the Company vide Special Resolution passed at the Extra Ordinary General Meeting of the members held on 31.10.2003.

BASIS OF THE ISSUE

Equity shares of Re.1/- each are being offered to the Members of the company whose names appear on the Register of Members of the company on ………., being the record date fixed by the company in consultation with The Stock Exchange, Mumbai on rights basis in the ratio of Thirty five Equity Shares for every Twelve Equity Shares (i.e.35:12) held in the company.

RIGHTS ENTITLEMENT

As your name appears in the Register of Members of the company on the record date, you are entitled to this rights offer on the basis mentioned above. The number of equity shares to which you are entitled as a shareholder of the company is shown in Part A of the CAF.

FRACTONAL 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 next higher integer. The resulting shortfall in allotment of shares, if any, shall be adjusted against the entitlement of the promoters.

NOMINATION

In terms of section 109(A) of the Companies Act, 1956 nomination facility is available. The applicant may nominate any person by filling the relevant details in the CAF at the space provided for the purpose.

MARKET LOT

The market lot of the equity shares held in dematerialized form is one. In case of physical certificates, the company would issue one certificate for the equity shares allotted to one person ("Consolidated Certificate"). In respect of consolidated certificate, the company will only upon receipt of a request from the equity shareholder split such consolidated certificate into smaller denomination within 3 days from the date of receipt of application. No fee would be charged by the company for splitting the consolidated certificate.

TERMS OF OFFER

The equity shares now offered are subject to the terms of this Letter of Offer, CAF, Memorandum and Articles of Association of the company (hereinafter referred to as "The Articles"), the Guidelines issued from time to time by the Government of India and Securities and Exchange Board of India, the relevant provisions of the Act as amended from time to time and such terms and conditions as may be incorporated in the share certificates or any deed or document executed by the company regarding the rights issue.

ACCEPTANCE OF OFFER

You may accept and apply for the equity shares hereby offered to you either wholly or in part by filling the enclosed CAF and submitting the same alongwith application money to the Bankers to the Issue or their branches mentioned in the application form before the closing of the banking hours on …………………The Board will have the right to extend the last date for receipt of CAF for such period as they may deem fit but in no case would the offer for subscription to the issue be kept open for more than 60 (sixty) days.

OFFER TO NON-RESIDENT EQUITY SHAREHOLDERS/APPLICANTS

Vide notification dated 18th June, 2003, bearing number FEMA 94/2003, RBI has granted general permission to Indian companies to issue rights/bonus equity shares to existing non-resident shareholders. The existing non-resident shareholders may apply for issue of additional equity shares and the company may allot the same subject to the condition that the overall issue of Equity Shares over and above Equity Shares offered on rights basis by the Company and renounce the Equity Shares offered in full or part thereof in favour of a person named by them. However, this facility would not be available to investors who have been allotted such Equity Shares as OCB's.

TERMS OF PAYMENT

All applicants are required to pay Re.1/- per equity share on application:

Particulars	Face Value	Premium	Total
On application per share	Re. 1/-	NIL	Re.1/-

Where any applicant is allotted lesser number of shares than applied for, the excess application money paid will be refunded to the applicant within a maximum period of six weeks from the date of the closure of the rights issue.

APPLICATION FOR ADDITIONAL EQUITY SHARES

You are also eligible for additional equity shares over and above the number of equity shares offered to you. However, the additional equity shares cannot be renounced in full or in part, in favour of any other person(s).

If you desire to apply for additional equity shares, you may fill in the number of additional equity shares in Part A of the CAF. The allotment of additional equity shares will be at the sole discretion of the Board on an equitable basis with reference to the number of equity shares held by you on the record date in consultation with The Stock Exchange, Mumbai. In the case of requests for additional equity shares by non-residents, the allotment will be subject to the approval of Reserve Bank of India. The Board may reject any application for additional shares without assigning any reasons thereof.

RENUNCIATION

You may renounce all or any of the equity shares you are entitled to, in favour of any individual, limited Companies, or statutory corporations / institutions. However renunciation in favour of more than three persons as joint holders, trust (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorised under its constitution to hold shares in a Company), minors (unless acting through natural or legal guardians), Partnership Firms, or their nominees, or any of them will not be accepted. Any renunciation from Resident(s) to Non- Resident(s) is subject to the renouncer(s)/ renouncee(s) obtaining requisite approval(s) of the Reserve Bank of India (RBI) and the said permission must be attached to the CAF.

PROCEDURE FOR RENUNCIATION

(i).**To Renounce in WHOLE**

If you wish to renounce this offer in whole, please complete PART 'B' of the CAF enclosed with the Letter of Offer for the number of shares renounced and deliver the CAF duly signed to the person(s) in whose favour the shares are so renounced. All joint holders must sign as per specimen signatures recorded with the Company at the place provided for the purpose and in the same order. The person(s), in whose favour the offer has been renounced (renouncees) should complete and sign PART C of the CAF. In case of joint renouncees, all joint renouncees must sign.

(ii)**. To Renounce in PART**

If you wish to accept this offer in part and renounce the balance of this offer, the CAF must first be split into the requisite number of forms by applying to the Registrars to the Issue, MCS Ltd at Kolkata. 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 Registrars to the Issue, MCS Ltd at Kolkata so as to reach them latest by the close of business hours on or before the last date for receiving requests for split forms i.e. ……………..

If you wish to apply for equity shares jointly with any person(s) who is/are not already joint holder(s) with you, then it would amount to renunciation and the procedure of renunciation as mentioned above shall have to be followed.

Further, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute and unqualified discretion to reject any such request for allotment of equity shares from renouncee(s) without assigning any reason thereof save where the equity shares have been renounced in favour of a person who is already a member of the Company.

In case the signature of the shareholder(s) who has renounced the Rights Equity Shares, does not match with the specimen registered with the Company, the application will be rejected.

Renouncee(s)

The person in whose favour the instruments are renounced should fill in and sign Part C and submit the entire CAF to the Bankers to the Issue on or before ______2005 along with the application money.

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. Request for split forms, one for each of the renouncee(s) and one for the renouncer, should be made for all the Equity Shares applied for.
c. Only the person to whom this Letter of Offer has been addressed shall be entitled to apply for split forms. Forms once split cannot be split again.
d. Renouncee(s) cannot apply for split forms.
e. Split form(s) will be sent to the applicant(s) by post at the applicant's risk.

REQUEST FOR SPILT FORMS:

- Request for Split Forms should be addressed to the Registrar to the Issue so as to reach them on or before the last date for receiving of request for split forms by filling in PART D of the CAF.
- Requests for Split Forms will be entertained only once.

HOW TO APPLY

You may apply for the equity shares offered wholly or in part by filling in the enclosed CAF and submitting the same along with the application money to the Bankers to the Issue or its designated branches on or before the closure of the subscription list. The CAF should be complete in all respects, as explained in the INSTRUCTIONS indicated in the CAF. The CAF should not be detached under any circumstances; otherwise the application(s) will be rejected forthwith. All applications should be made only on the printed CAF provided by the Company or on blank paper in case of non-receipt of CAF.

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 utilize 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 local bank at Kolkata/Demand draft payable at Kolkata and send the same by registered post directly to the Registrar to the Issue, MCS Ltd. at Kolkata. The application on plain paper, duly signed by the applicant 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:

1. Name of Issuer
2. Name and address of the Equity Shareholder including joint holders
3. Registered Folio Number/DP and Client ID No.
4. Number of shares held as on Record Date
5. Number of Rights Equity shares entitled
6. Number of Rights Equity shares applied for
7. Number of additional Equity shares applied for, if any
8. Total number of Equity shares applied for
9. Total amount paid @Re.1 per equity share
10. Particulars of cheque/draft
11. Savings/current account number and name and address of the bank where the equity shareholder will be depositing the refund order.
12. PAN/GIR number and Income Tax Circle/Ward/District where the application is for Equity shares of a total value of Rs.50,000/- or more for the applicant and for each applicant in case of joint names, and
13. Signature of equity shareholders to appear in the same sequence and order as they appear in the records of the company.

Payments in such cases should be through a cheque/demand draft payable at Kolkata drawn in favour of the Bankers to the Issue marked “A/c Payee” and marked “CEL-Rights Issue A/c.” 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 as well as forfeiture of amounts remitted along with the applications.

Sr. No.	Options available	Action Required
1.	Accept whole or part of the equity shares	Indicate in Block III of Part A the

	offered to you without renouncing the balance.	number of equity shares accepted. If you accept all the equity Share offered in Block II of Part A, you may apply for additional equity shares. Indicate in Block IV the additional equity shares applied for.
2.	Renounce all the equity shares offered to you to one person (joint renouncees are deemed as one person) without your applying for any of the equity shares offered to you.	Fill in and sign Part B indicating the number of equity shares renounced in Block VII & handover the ENTIRE FORM to the renouncee. The renouncee/ joint renouncee(s) must fill in and sign Part C of CAF.
3.	Accept a part of your entitlement and renounce the balance or part of it to one or more Renouncee(s).	Fill in and sign Part D for the Split Form and send the ENTIRE CAF to the Registrar to the Issue. On receipt of Split Forms : a. For the equity shares you are accepting, fill in & sign Part A. b. For the equity shares you are renouncing fill in and sign Part B indicating the number of equity shares renounced in Block IX. Each of the renouncees should fill in and sign Part C.
	OR	
4.	Renounce your entitlement or part of it in marketable lot to one or more persons (joint renouncees are deemed as one person).	

Note: If application is made jointly with any other person(s) who is/are not already joint holders, it will amount to renunciation and the procedure mentioned in (2) above will have to be followed.

INSTRUCTIONS FOR EQUITY SHAREHOLDERS:

Mode of Payment

a) Mode of payment for Resident Equity Shareholders/ Applicants

Only one mode of payment per application should be used. All cheques / drafts accompanying the CAF should be drawn in favour of the Banker to the Issue (specified on the reverse of the CAF), crossed "A/c Payee only" and marked "**CEL- Rights Issue A/c**".

If payment is made by cheque/ demand draft such instrument must be 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.

Applicants residing at places other than places where the bank collection centers have been opened by the Company for collecting applications (as listed in the CAF), are requested to send their applications together with Demand Draft or cheque for the full application amount favoring the Bankers to the Issue, crossed "A/c Payee only" and marked "CEL- Rights Issue A/c" 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. Such applications, if sent to any person other than the Registrar to the Issue, are liable to be rejected. The Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

b) Mode of payment for 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 payable at Kolkata 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 in Kolkata; or

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 "**CEL-Rights Issue A/c - 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 Bankers to the Issue 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 Income Tax Act, 1961.

In case Equity Shares are allotted on non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. 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.

QUOTING OF PAN/GIR NO. IN THE APPLICATION FORMS

Where an application is for allotment of securities in response to a rights issue, for a total value of Rs. 50,000/- or more i.e. the total number of securities applied for multiplied by the issue price, is Rs. 50,000/- or more, the applicant or in the case of applications 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 the appropriate space provided in the CAF. In case where neither PAN nor GIR number has been allotted, the fact of non-allotment should be mentioned in the CAF. Applications without this information will be considered incomplete and are liable to be rejected.

NOTE ON CASH PAYMENT

Subscriptions against applications for equity shares should not be effected in cash and must be effected by 'Account Payee" cheques or 'Account Payee" bank drafts, if the amount payable is Rs. 20,000/- or more. If cash payment is effected in contravention of this provision, the application is liable to be rejected

DEMATERIALIZATION

AS PER SEBI GUIDELINES TRADING IN SECURITIES OF THE COMPANY SHALL BE IN DEMATERIALIZED FORM ONLY.

DEPOSITORY OPTION TO INVESTORS

Trading in the securities shall be in dematerialized form only for all investors. As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be traded only in a dematerialized form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. The Company will opt for this method subject to investors exercising their option to hold the shares in dematerialized form, for which necessary columns have been provided in the respective Application Forms. Tripartite agreements have been signed between the Company, the Registrar, and NSDL/ CDSL respectively.

1. Investors have an option to seek allotment of equity shares in electronic mode or physical mode.
2. The option for receiving shares in dematerialized form should be indicated in the relevant blocks in the CAF.
3. Investors opting for receiving equity shares in dematerialized form need to have a beneficiary Account with a Depository Participant prior to submitting the CAF.
4. CAF with incomplete/ incorrect beneficiary account details may result in rejection.
5. Responsibility for correctness of applicant's details given in the Application Form vis-à-vis those with his/ her Depository Participant, would rest with the investor.
6. Shares in electronic form can be traded only in Stock Exchanges having electronic connectivity with NSDL/ CDSL.
7. Please indicate the number of shares subscribed for in dematerialized form in the space provided in the CAF.
8. In case of partial allotment, allotment will be done in dematerialized mode.

LAST DATE FOR SUBMISSION OF COMPOSITE APPLICATION FORM

The last date for receipt of CAF by the Banker to the Issue together with the amount payable on application is ……………...If the relevant CAF(s) together with amount payable is not received by the Bankers/ Registrars to the issue on or before the close of banking hours as aforesaid the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose of the Equity Shares hereby offered as provided under "Basis of Allotment."

INCOMPLETE APPLICATION

CAFs that are not accompanied by the proper amounts calculated as aforesaid are liable to be rejected.

MINIMUM SUBSCRIPTION

The minimum subscription which must be raised by this issue of equity shares is 90% of the total issue of Rs.350 lacs being the aggregate issue size of 3,50,00,000 equity shares of Re.1/- each for cash at par offered in terms of this Letter of Offer. The Board of Directors will proceed to allot the shares on receipt of the application money payable on 90% of the 3,50,00,000 equity shares.

If the Company does not receive the minimum subscription of 90% of the issued amount on the date of the closure of the issue or if the subscription amount falls below 90% after the closure of issue on account of cheques having been returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received within 42 days from the date of the closure of the issue. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest for the delayed period as per Section 73 of the Companies Act, 1956.

BASIS OF ALLOTMENT

In the event of the issue being over subscribed, the basis of allotment will be made only within the overall size of the rights Issue, as stated in the Letter of Offer, and the Board will proceed to allot the Equity Shares in consultation with BSE in the following order of priority.

1. Full allotment to the shareholders who have applied to their Rights entitlement, either in full or in part and also to the renouncee(s) who have applied for Equity Shares renounced in their favour either in full or in part (subject to other provisions contained under the paragraph titled "Renunciation".)
2. Allotment of one additional share to such shareholders whose fractional entitlements have been ignored, and have applied for additional shares.
3. Allotment to the shareholders who have applied for additional shares provided that they have not renounced any shares and have applied for all the Equity Shares offered to them, provided there is a surplus after making full allotment under (1) & (2) above. This shall be at the absolute discretion of the Board or the Committee of the Board authorized in this behalf by the Board and the decision of the Board or such Committee shall be final and binding. The allotment of such additional equity shares applied for will be made as far as possible on an equitable basis with reference to the number of equity shares held by the shareholders on the Record Date and in consultation with The Stock Exchange, Mumbai, as a part of the rights Issue and not preferential allotment.
4. Allotment to the renouncees who having applied for the Equity Shares renounced in their favour, and have also applied for additional Equity Shares, provided there is an under-subscribed portion after making full allotment in (1), (2) and (3) above. The allotment of such additional Equity Shares will be made on a proportionate basis at the sole discretion of the Board but in consultation with The Stock Exchange, Mumbai as a part of the rights Issue and not preferential allotment.
5. The issue will become under-subscribed where the number of shares subscribed considering the number of shares applied by shareholders and renouncees as per entitlement and the additional shares applied by the shareholders is less than the number of shares offered in this Issue. Such under-subscribed portion can be applied for only after the close of the issue. The promoters or any other person(s) can subscribe to such under-subscribed portion. If the promoters desire to subscribe such under-subscribed portion and if disclosure is made pursuant to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, such allotment of the under-subscribed portion will be governed under Regulation 3(1)(b) of SEBI
   (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
6. After taking into account the allotments as stated above, if there is still any under subscription, the under-subscribed portion shall be disposed of by the Board of Directors upon such terms and conditions, through equity shares and to such person/persons and in such manner as the Board may in its absolute discretion deem fit, as a part of the rights issue and not preferential allotment.
7. The Company shall retain no over subscription.
8. The Board reserves its full unqualified and absolute right to accept and reject any application on technical grounds in whole or in part, without assigning any reason whatsoever.

RANKING OF EQUITY SHARES

The Equity Shares offered and allotted through this Letter of Offer shall be subject to the Memorandum and the Articles of Association of the Company and shall rank pari-passu with the existing Equity Shares in all respects including dividend declared, if any.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No receipt will be issued for application money received. However, the Bankers to the Issue receiving the CAF(s) will acknowledge its receipt by stamping and returning the acknowledgement slip at the bottom of each CAF. The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason therefore. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is accepted in part the excess money will be refunded after adjusting the money payable for the shares allotted. All refunds will be made within six weeks of the date of closing of the Rights Issue.

RIGHTS OF EQUITY SHARE HOLDERS

The Equity Shares as aforesaid shall rank *pari passu* with the existing Equity Shares of the Company including dividend, if any, declared. The Shareholders are entitled to receive dividend as and when declared, bonus and rights shares, as and when issued. Further the rights of the above and other holders of shares are subject to the provisions of the Act, the Memorandum and the Articles, the terms of this Letter of Offer and other laws applicable from time to time.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors declares that:

- The funds received against this Issue will be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act.
- Details of all moneys utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such moneys had been utilized and
- Details of all unutilized moneys out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilized moneys have been invested.
- The funds received against this Rights Issue will be kept in a separate bank account and the Company will not have any access to such funds unless it satisfies BSE with suitable documentary evidence that the minimum subscription of 90% of the Issue has been received by the Company.

ALLOTMENT / REFUNDS

A . FOR APPLICATION MADE BY CHEQUES / DRAFTS

Refunds, if any, will be made along with Allotment Letters/ Shares Certificates and / or regret letters by cheque / pay order drawn on the Bankers to the Company and will be dispatched within six weeks from the date of closure of issue, by registered post if the amount of such refund exceeds Rs.1500/-, and by UCP in the case of refund below Rs.1500/-, in either case at the risk of the applicant. The Company agrees that it shall pay interest @ 15% per annum if the allotment has not been made and / or the allotment letters / refund orders have not been dispatched to the investors within six weeks from the date of closure of the issue. Such cheque/pay order will be payable at par during their validity period at all centers where the applications are received or such places as may be approved by the BSE. In case of joint applications, Refund Orders, if any, will be made out in the First applicant's name appearing on the CAF.

B. FOR APPLICATIONS BY NRIs / FIIS

In case of NRIs / FIIs who remit their application money from funds held in NRE/ FCNR/ NRO accounts, refund/ payment of interest and other disbursements, if any, shall be credited only to such account and details thereof should be furnished in the column provided for the purpose in the CAF. In case NRIs who remit their application money through Indian Rupee drafts purchased from abroad, refunds/ payments of interest and other disbursements, if any, will be made in US Dollars at the exchange rate prevailing at such time subject to the permission of the RBI. The Company will not be responsible for any loss on account of exchange fluctuations for converting their Indian Rupee amount into US dollars.

DELIVERY OF SHARE CERTIFICATES

In case of company issuing Letter of allotment, the share certificates will be delivered within three months from the date of allotment. Allotment of Equity Shares and export of Letters of allotment/share certificates to Non-residents would be subject to approval of the RBI as may be required under the Foreign Exchange Management Act, 1999. The Company will make any requisite applications to the RBI at appropriate time.

DISPATCH OF ALLOTMENT LETTERS/ SHARE CERTIFICATES/ REGRET LETTERS/ REFUND ORDERS

The Company will issue, or credit the allotted securities to the respective DP accounts or despatch Letters of Allotment/ Share Certificates and/ or Letters of Regret along with refund orders, if any, within a period of six weeks from the date of closure of the issue, by Registered Post. If such money is not repaid, within eight days from the day the Company becomes liable to pay it, the Company shall, as stipulated under Section 73(2A) of the Act, pay that money with interest @ 15% p.a. Letters of Allotment/ Share Certificates/ Refund Orders above the value of Rs.1500/- will be dispatched by Registered Post to the sole/first applicant's registered address. However, Refund Orders for value not exceeding Rs.1500 shall be sent to the applicants under Certificate of Posting. The Letters of Allotment/ Share Certificates/ Refund Orders etc are mailed at the investors' sole risk and responsibility. Such cheques or pay orders will be payable at par at all the centers where the applications were originally accepted and will be marked "A/c Payee" and would be drawn in the name of the sole/first applicant. Adequate funds would be made available to the Registrars to the Issue for this purpose.

Particulars of the applicant's Savings/ Current Bank Account must be given in the space provided in the application form so as to enable the Registrars to print the same on the refund order, if any. Provision of Bank account details in the space provided for in the CAF has now been made mandatory and CAFs not containing such details are liable to be rejected.

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the issue.

Interest in case of delay in allotment / dispatch

The Company agrees that it shall pay interest @ 15% per annum if the allotment has not been made and/ or the allotment letters/ refund orders have not been dispatched to the investors within six weeks from the date of closure of the issue.

All the cheques/ refund orders and Letter(s) of allotment/ Share Certificates will be dispatched to the first named/ sole applicant at his/ her own risk. The cheques/ refund orders will be payable at par in India at all the places where the applications were originally accepted. The instruments will be marked "Account Payee" and in the name of the sole/ first applicant. Bank charges, if any, for encashing such cheques/ Pay Orders will be payable by the applicants.

The Company has given an undertaking that the requisite funds will be made available to the Registrar for complying with the requirement of dispatch of refund orders/ allotment letters/ share certificates and that it shall ensure dispatch of refund orders of value over Rs.1500/- and share certificates by Registered Post only.

APPLICATION UNDER POWER OF ATTORNEY OR BY LIMITED COMPANIES:

In the case of applications under Power of Attorney or by Limited Companies or Corporate Bodies, the relevant power of attorney or the relevant authority as the case may be, or a duly certified copy thereof must be attached to the application form, or lodged separately with the

Registrars to the Issue simultaneously with the submission of the CAF mentioning the serial number of the CAF and the bank branch where the application has been submitted, failing which the application is liable to be rejected.

SIGNATURES OTHER THAN IN EIGHTH SCHEDULE LANGUAGE/ THUMB IMPRESSIONS

Magistrate or Notary Public or a special Executive Magistrate under his official seal must attest thumb impressions or signatures in languages other than the languages specified in the Eighth Schedule.

PARTICULARS RELATING TO SAVING BANK/ CURRENT ACCOUNT NUMBER:

The applicant must mention particulars relating to his saving bank/ current account number and the name of the bank with whom such account is held in the respective spaces provided in the application form, to enable the registrars to print the said details in the refund orders after the names of the payee to prevent fraudulent encashment of refund order(s). Application forms without this information will be considered incomplete and will be liable to be rejected.

APPLICATION NUMBER ON THE CHEQUE / DEMAND DRAFT

To avoid any misuse of instruments, the applicants are advised to write the application number and name of the first applicant on the reverse side of the cheque/ demand draft.

Unique Identification Number – MAPIN

In terms of SEBI (Central Database of Market Participants) Regulations, 2003 as amended from time to time and SEBI Notification dated November 25, 2003 and July 30, 2004, circular dated August 16, 2004 and press release dated December 31, 2004, no specified investor being a body corporate shall subscribe to securities which are proposed to be listed in any recognized stock exchange unless such specified investor, its Promoters and directors have been allotted unique identification numbers (UIN) save and except: (i) those Promoters or directors who are persons resident outside India, who are required to obtain UIN before December 31, 2005; and (ii) where such specified investor being a body corporate has applied for allotment of a UIN before December 31, 2004 and has not yet been allotted the UIN until the disposal of his application or, where he has filed an appeal, till the disposal of the appeal, as the case may be. In terms of the above it shall be compulsory for specified investor being a body corporate making application in this Issue to give their UIN. In case where a body corporate has made an application for such number before December 31, 2004 but the same has not been allotted, or where an appeal has been filed, but not disposed off, the investor shall indicate the same in the space provided in the Application Form. Application forms from specified investors being body corporate not providing their UIN or UIN application status, in cases where they have applied for such UIN before December 1, 2004, shall be liable to be rejected.

GENERAL INSTRUCTIONS

1. All applications should be made on the printed CAF provided by the Company and be complete in all respects. Applications made otherwise than as herein provided or not accompanied by proper application money will be refunded without interest.
2. Please read the instructions in the enclosed CAF carefully.
3. Communications in connection with your application for equity shares including any change in your registered address should be addressed to the Registrars.
4. Application Forms must be filled in ENGLISH in BOLD LETTERS.
5. A Magistrate under his/ her official seal must attest any thumb impression and any signature other than in English, Marathi, Hindi and Gujarati.
6. In case of application made under Power of Attorney or by Limited Companies or Bodies Corporate for Registered societies, a certified copy of the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, along with a certified copy of the Memorandum or Articles of Association and/ or Bye Laws,

must be lodged for scrutiny separately, giving the serial number of CAF, with the Registrar and must not be attached to CAF at the time of making the Application. In case the Power of Attorney is already registered with the Company, then the same need not be furnished again. However, the serial number of such Registration must be mentioned below the signature of the Applicant.

7. In case of Joint Holders, all joint Holders must sign the relevant parts of the Application Form in the same order and as per the specimen signature recorded with the Company.
8. In case of joint applications, refunds and all payments will be made to the person whose name appears first on the application form and all communications will be addressed to him/ her.
9. To prevent fraudulent encashment of refund orders by third parties, the sole/ First Applicant must indicate Saving Bank/ Current Account number and the name of the bank and its branch with which such account is held in the space provided in the CAF for the purpose so that Refund Orders are printed with these details. Applications without this information are liable to be rejected.
10. The Application Form should be presented to the Bank in its entirety. If any of the Part(s) A, B, C and D of the Application Form(s) is/ are detached or separated, such applications will forthwith be rejected.
11. Shareholders must submit the CAF along with remittance only to the Bankers to the issue mentioned elsewhere in this Letter of Offer and not to the Company, the Registrars or the Lead Managers.
12. No separate receipt will be issued for the application money. However the Banker to the Issue receiving the CAF will acknowledge receipt of the application by stamping and returning to the applicant, the Acknowledgement Slip at the bottom of the CAF.
13. Any dispute or suit action or proceedings arising out of or in relation to this Letter of Offer or in respect of any matter or thing herein contained and claimed by either party against the other shall be instituted or adjudicated upon or decided solely by the appropriate Court where the Registered Office of the Company is situated.
14. The Last Date for receipt of CAF along with the amount payable is …………..
15. The Board will have the right to extend the Last Date for receipt of CAF for such period or periods as it may determine from time to time, but not exceeding 60 days from the date of opening of the subscription list.
16. If the CAF together with the amount payable there under is not received by the Bankers to the Issue on or before the closure of the banking hours on the aforesaid Last Date, or such Last Date as may be extended by the Board, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose the Rights hereby offered.
17. Applicants who wish to send their applications by post must send the same by Registered Post only to the Registrar to the Issue at the address mentioned on the cover page of the Letter of Offer so as to reach them before the close of banking hours on the Last Date as mentioned above.
18. The Company is not liable to accept such applications as are sent by post, and are received after the closure of the Rights Issue.

V. TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The certificate for tax benefits available to the company and its shareholders, received from statutory auditors of the company, M/s. Khetawat & Associates, Chartered Accountants is appended here-in-below:

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 Ltd. (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 **Khetawat & Associates**
Chartered Accountants

A. K. Khetawat
Partner

Date : February 23, 2005
Place : Kolkata

TAX BENEFITS

1. Benefits available to the Company:

1.1 The Company has brought forward accumulated business loss of Rs.12.41 crores and un-absorbed depreciation of Rs.7.84 crores as on 1st April 2004 as per the Income Tax Return filed by the Company for the assessment year 2004 – 05. 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's net worth under Section 17(1) of Sick Industrial Companies (Special Provisions) Act, 1985 is negative. Hence, the Company would not be liable to pay Minimum Alternate Tax (MAT) as per proviso to Section 115 JB (2) of the Income Tax Act, 1961, till its net worth becomes positive.

2. Benefits available to resident members of the Company:

- Dividend (whether interim or final) declared, distributed or paid by the Company on or after 1 April 2003 is exempt in the hands of shareholders as per the provisions of Section 10(34) of the Income Act, 1961.

- Under section 48 of the Income Tax Act, 1961 if the company's shares are sold after being held for not less than twelve months, the gains, if any, would be taxed as long term capital gains at following rates (in cases not covered under section 10(38) of the Act) :

  \- at the rate of twenty percent (20%) plus applicable surcharge plus education cess with indexation (i.e. after indexing the cost of acquisition).

  \- at the rate of ten percent (10%) plus applicable surcharge plus education cess without indexation (i.e. without indexing the cost of acquisition).

- Long-term capital gain arising from transfer of equity share in a company or a unit of an equity-oriented fund is exempt from tax under section 10(38) of the Income Tax Act, 1961 if the following conditions are satisfied.

  1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
  2. such transaction is chargeable to securities transaction tax

- Under section 111A of the Income Tax Act, 1961 and other relevant provisions of the Act, short term capital gains (i.e., if shares are held for a period of less than 12 months), arising on transfer of shares of the company, shall be taxed at a rate of 10% (plus applicable surcharge plus education cess) if the following conditions are satisfied.

  1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
  2. such transaction is chargeable to securities transaction tax

3. Benefits available to non-resident members of the Company

- A non-resident Indian (i.e. an individual being a citizen of India / person of Indian origin who is not a 'resident') has an option to be governed by the provisions of Chapter XII-A of the Income Tax Act, 1961 viz. "Special Provisions Relating To Certain Incomes of Non- Residents" which are as follows: -

- Under section 115E of the Income Tax Act, 1961, where shares in the company are acquired or subscribed for in convertible Foreign Exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (Plus applicable Surcharge) (without indexation benefit but with protection against foreign exchange fluctuation).

- Under provisions of section 115F of the Income Tax Act, 1961 long term capital gains (in cases not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to in convertible Foreign Exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

- Under provisions of section 115G of the Income Tax Act, 1961 it shall not be necessary for a Non-Resident Indian to furnish his return of income if his income-chargeable under the Act, consists of only investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from.

- In terms of section 10(34) of the Income Tax Act, 1961, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.

- Under the first proviso to section 48 of the Income Tax Act, 1961, in 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 fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares.

- Long-term capital gain arising form transfer of equity share in a company or a unit of an equity-oriented fund is exempt from tax under section 10(38) of the Income Tax Act, 1961 if the following conditions are satisfied.

1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
2. such transaction is chargeable to securities transaction tax

- Under section 111A of the Income Tax Act, 1961 and other relevant provisions of the Act, short term capital gains (i.e., if shares are held for a period of less than 12 months), arising on transfer of shares of the company, shall be taxed at a rate of

10% (plus applicable surcharge plus education cess) if the following conditions are satisfied.

1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
2. such transaction is chargeable to securities transaction tax

4. Benefits available to Foreign Institutional Investors (FIIs)

- In terms of section 10(34) of the Income Tax Act, 1961, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the company is exempted from the tax.

- The income by way of short term capital gains realized by FIIs on sale of shares in the company would be taxed at 10% (plus applicable surcharge plus educations cess) as per section 115AD of the Income Tax Act, 1961.

- Long-term capital gain arising form transfer of equity share in a company or a unit of an equity-oriented fund is exempt from tax under section 10(38) of the Income Tax Act, 1961 if the following conditions are satisfied.

1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
2. such transaction is chargeable to securities transaction tax

- Under section 111A of the Income Tax Act, 1961 and other relevant provisions of the Act, short term capital gains, (i.e., if shares are held for a period of less than 12 months) arising on transfer of shares of the company, shall be taxed at a rate of 10% (plus applicable surcharge plus education cess) if the following conditions are satisfied.

1. the transaction of sale of such equity share or unit is entered into on or after October 1, 2004.
2. such transaction is chargeable to securities transaction tax

5. 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 from and income from sale of shares of the company.

6. 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 authorised 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.

7. 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.

8. 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 relative 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) to (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.

VI. PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The present Rights Issue is being made by the company to part finance the cost of Rehabilitation Scheme approved by BIFR vide its Order dated 27.08.2003.

COST OF SCHEME AND MEANS OF FINANCE

The details of the cost of the scheme and the means of finance as approved by BIFR vide their order dated 27/08/2003 and appraised by the Company's Bankers-State Bank of India and Allahabad Bank vide their letters dated 25.07.2003 and 28.07.2003 respectively are as follows: -

COST OF SCHEME

Particulars	**Amount (Rs. in Crores)**
Net Payment to Banks:	
Repayment of existing dues - Rs. 14.84 crores	
Fresh NFB facility to be provided by banks - Rs. 6.00 crores	8.84
Capital Investment for modernisation	1.00
Increase in Net Current Assets	5.45
Total	**15.29**

MEANS OF FINANCE

Particulars	**Amount (Rs. in Crores)**
Promoters Contribution	8.70
Deferred Sales Tax	1.44
Soft Loan from Govt. of West Bengal	5.00
Capital Subsidy	0.15
Total	**15.29**

DETAILS OF PROMOTERS' CONTRIBUTION:

The promoters' contribution considered in the means of finance constitute of the following:

	Rs. Crores
Equity Capital raised prior to 31.03.2002	4.24
Creditors funding from group concerns	0.96
Rights Issue of Equity Capital	3.50
	8.70

VII. COMPANY & MANAGEMENT

HISTORY, BACKGROUND & PRESENT ACTIVITIES 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, North 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. The installed capacity of the plant is 9000 MT per annum.

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."

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.

MAIN OBJECTS OF THE COMPANY AS SET OUT IN THE MEMORANDUM AND ARTICLES OF ASSOCIATION
The main objects of the Company as set out in the Memorandum of Association are reproduced below:
"The objects for which the Company is established are:

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, rectangulars, 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, godowns 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.

The main objects clause of the Memorandum of Association enables the company to undertake the activities which the company has been carrying till date.

PROMOTERS
Sri M. P. Jhunjhunwala and Sri Vikram Jhunjhunwala are the promoters of the company.

Sri M. P. Jhunjhunwala,

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

Bank Account Number	:	Hongkong and Shanghai Banking Corporation Shakespeare Sarani Branch, Kolkata A/c No.025-335589-006

aged 65 years, arts graduate is the Chairman & Managing Director of Century Extrusions Limited. He has been associated with the aluminium industry for over 35 years.

Sri Vikram Jhunjhunwala,

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

Bank Account Number	:	Hongkong and Shanghai Banking Corporation 31, B B D Bagh, KOLKATA Kolkata – 700 001 A/c No.021-390224-006

aged 39 years, commerce graduate is the promoter of Century Extrusions Limited. He has been associated with the aluminium industry for over 15 years.

BOARD OF DIRECTORS

Name, Address and Designation	Age (years)	Other Directorship
Sri M. P. Jhunjhunwala, S/o Lt. Sri Hari Ram Jhunjhunwala 9, Pretoria Street, Kolkata-700 071 **Chairman & Managing Director**	65 years	• Century Aluminium Mfg. Co. Ltd. • Dhruv Metals (P) Ltd. • Century NF Castings Ltd.
Sri Vikram Jhunjhunwala S/o. Sri M. P. Jhunjhunwala 9, Pretoria Street, Kolkata-700 071 **Non-Executive Director & Promoter**	39 years	• Century Aluminium Mfg. Co. Ltd. • Century NF Castings Ltd. • Vintage Capital Markets Ltd.
Sri G. S. Agarwala S/o. Lt. S. C. Agarwala F-170B, Western Avenue	64 years	• Century Aluminium Mfg. Co. Ltd. • Century NF Castings Ltd. • Bhairav Leasing & Finance Pvt. Ltd.

Sainik Farm New Delhi – 110 069 **Non – Executive Director**		• Suvridhi Financial Services Ltd.
Sri Ranjit Kumar Datta S/o Lt. Rohini Kr. Datta 128, Rasbehari Avenue, Kolkata-700 029 **Independent Director**	84 years	• None
Sri P. K. Sengupta, S/o. Lt. I. B. Sengupta 166/C/426, Lake Gardens, Kolkata-700 045 **Independent Director**	78 years	• Pikason Construction Co. (P) Ltd.
Sri R. N. Das, S/o. Lt. D. C. Das Bubhaneshwar, Orissa **Independent Director**	68 years	Orissa Tea Plantation Ltd.

Details of Outstanding Guarantees by Directors:

NAME OF DIRECTOR	GUARANTEE GIVEN ON BEHALF OF	NATURE OF GUARANTEE	GUARANTEE AMOUNT (Rs)
M P Jhunjhunwala	-The Company - Other Companies / Firms	To get Non Fund Based facilities from Banks Fund Based and Non Fund Based facilities from Banks	652 Lacs 4445 Lacs
Vikram Jhunjhunwala	-The Company - Other Companies / Firms	To get Non Fund Based facilities from Banks Fund Based and Non Fund Based facilities from Banks	652 Lacs 4445 Lacs
G S Agarwala	- Other Companies / Firms	Fund Based and Non Fund Based facilities from Banks	4360 Lacs

Details of Payments made to Persons Holding Place of Profit

None of the directors hold any place of profit except for Shri M. P. Jhunjhunwala who has a contract of service as Chairman and Managing Director of the Company as per details given in the following para.

Details of Remuneration, appointment and Service Contract with Directors:

The Company has entered into an agreement with the Chairman and Managing director. The details of remuneration, appointment and other terms are as follows :

SALARY & PERQUISITIES:

a) **Salary:** Rs. 50,000/- per month.

b) **Perquisites:** Perquisites shall be restricted to an amount equivalent to annual salary or Rs. 6,00,000/- per annum, whichever is less.

PART – A

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. 10000/-

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 siting 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.

Note: This agreement with Sri M. P. Jhunjhunwala is subject to approval of the Central Government. The Company had applied to the Central Government for approval on 5.11.2004 but the approval is awaited. Pending receipt of approval from the Central Government, the Company has made provision for the remuneration payable to Sri M. P. Jhunjhunwala in the Books of Accounts but no payment has been made.

All other directors are liable to retire by rotation. No Remuneration is paid to other directors except sitting fees.

CORPORATE GOVERNANCE & SUB-COMMITTEES

The Company has adopted the SEBI Guidelines on Corporate Governance as provided in the Listing Agreement. The composition of the Board and its committees is as follows:

Composition of Board of Directors

Sri M. P. Jhunjhunwala	Chairman & Managing Director	Promoter
Sri Vikram Jhunjhunwala	Non-Executive Director	Promoter
Sri G. S. Agarwala	Non-Executive Director	Non Executive Director
Sri R. K. Datta	Non-Executive Director	Independent Director
Sri P. K. Sengupta	Non-Executive Director	Independent Director
Sri R. N. Das	Non-Executive Director	Independent Director

Audit Committee

The composition of Audit committee is as follows:
Chairman : Sri R. K. Datta
Members : Sri V. Jhunjhunwala
Sri P. K. Sengupta
Sri G. S. Agarwala
Sri R. N. Das

The Statutory Auditor and the Company Secretary also attend the Audit Committee meetings. Sri Sumit Modi, Company Secretary is the secretary of the Audit Committee.

Share Transfer and Shareholders' / Investors' Grievance Committee

The Share Transfer and Shareholders' / Investors' Grievance Committee consists of :

Chairman : Sri R. K. Datta

Members : Sri G. S. Agarwala
Sri P. K. Sengupta
Sri R. N. Das

The Company Secretary of the Company, Sri Sumit Modi, assists this Committee and attends its meetings.

Other Promoter interests

The promoter Directors have an interest in the following sole proprietorship and/ or partnership firms:

Name of Promoter	Name of Firm	Interest
Sri M P Jhunjhunwala	Nandadevi Sales Agency Multi Metal Udyog	Partner Son is a partner
Sri Vikram Jhunjhunwala	Nandadevi Sales Agency Multi Metal Udyog	Partner Partner

Changes in directors during the last five years

There has been no change in the directors of the company during the last five years.

MANAGEMENT

The Company is managed by Sri M. P. Jhunjhunwala, Chairman & Managing Director of the Company. He is supported by the Vice President-Mr. Kailash Baheti, General Manager Works- Dr. A. K. Mehrotra and General Manager Marketing-Mr. J. K. Malpani .Mr. Sumit Modi Company Secretary under the guidance, superintendence and control of the Board of Directors.

KEY MANAGEMENT PERSONNEL

The Company is managed by its Board of Directors, assisted by qualified professionals, with vast experience in the field of production/finance/ distribution/marketing and corporate laws. The following key personnel assist the Management:

Sr. No.	Name and Designation	Designation	Qualification(s)	Date of Joining	Experience in years	Previous Employment
1.	Sri Kailash Baheti	Vice President	B.Com(H), FCA, ACS & AICWA	01.12.1996	18	Shubham Industries Ltd.
2.	Sri J. K. Malpani	General Manager (Marketing)	BE (Industrial & Production Engineering)	01.07.2000	18	Sangam Aluminium Ltd.
3.	Dr. A. K. Mehrotra	General Manager (Works)	B. Tech (Metallurgy), MS (Metallurgy) & Ph.D (Metallurgy)	01.09.1995	26	Remi Metals Gujarat Ltd.
4.	Sri Sumit Modi	Company Secretary	B.Com(H), ACS	10.02.2003	2	Nil

Sri Kailash Baheti-Vice President:

He reports to Chairman and Managing Director and is responsible to take the decision on all important matters related to functioning of the Company. His overall job responsibilities include:

- finance, accounts, taxation, budgeting and costing functions.
- human relation and general administrative matters.
- all policy and other important decisions on matters related to marketing, purchases and production.

Sri J. K. Malpani-General Manager (Marketing):

The General Manager-Marketing works from the Head Office and is responsible for all aspects of marketing and sales. The Regional Sales Head procure Orders, which are processed at the Head Office and the production plans are made considering all technical and commercial aspects. His job responsibilities include:

- Attending to the customers' requirements
- Providing necessary back-up to the Regional Sales Head to effectively discharge their duties.
- Answering the technical /commercial queries related to process and products.
- Development of new dies based on drawings/samples/details furnished by the customers.
- Attending to customer complaints.

Dr. A. K. Mehrotra-General Manager (Works)

The General Manager (Works) has overall responsibility for all functions of the factory. He is responsible for achieving set targets of production, productivity, planned mix of products etc. He also looks after human and material resources within the agreed budget constraints and guidelines. He has been given sufficient organizational freedom to meet delivery schedules, product quality, health and safety requirements and any other needs of the quality system.

Sri Sumit Modi – Company Secretary:

The Company Secretary is responsible for the entire secretarial functions of the Company. His job responsibilities include conducting shareholders meetings, Board Meetings, ensuring good corporate governance practices, attending to statutory and internal audit functions, and attending all legal matters of the Company.

The above persons are on the rolls of the company as permanent employees. No advances are outstanding against Key Managerial Personnel other than those as per the terms of employment. None of the Key Managerial Personnel is holding any shares of CEL. The company will meet the additional manpower requirement in future by recruiting the required skilled personnel, which are abundantly available.

Presently, the Company has overall 330 Employees and the breakup is as under:

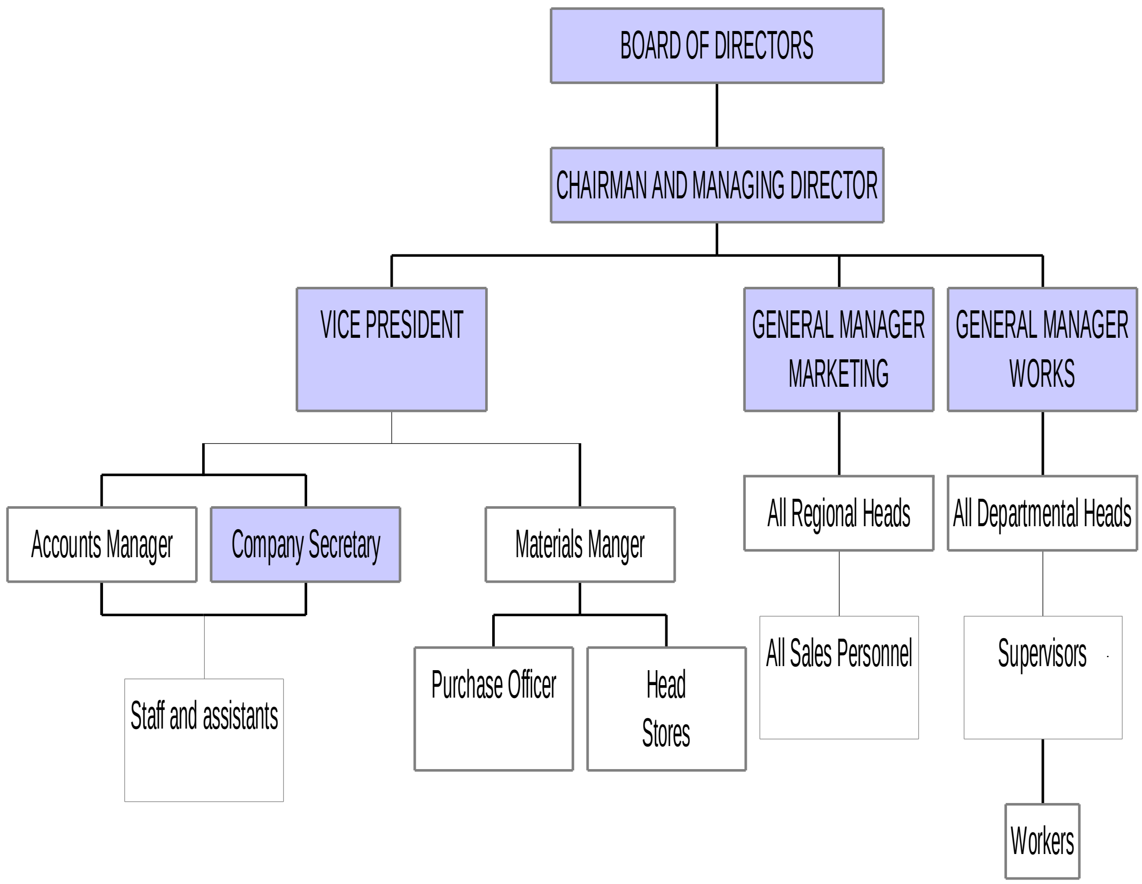
S. No.	Level	No. of Employees
1.	Senior Management	22
2.	Middle Management	31
3.	Others	277
	TOTAL	**330**

Changes in the Key Managerial Personnel in the last 3 Years

There has been no change in the last 3 years in the Key Management Personnel except given as under:

Name	Designation	Date of Appointment	Date of Cession
Sri Sumit Modi	Company Secretary	10/02/2003	--

ORGANISATION CHART



VIII. BUSINESS OVERVIEW

The present business of the company is manufacturing of aluminium extruded products at its factory located at Kharagpur.

MANUFACTURING ACTIVITY AND FACILITY

The company is engaged in manufacturing of Aluminium Extruded Products at its factory located at Kharagpur, West Bengal , India.

The company had commenced its commercial production in April 1991. The company's manufacturing facilities include a Cast House to cast Aluminium Billets from aluminium metal, three Hydraulic Extrusion Presses – Press capacities being 900 MT, 1250 MT and 1620 MT and in-house Tool Room for designing and manufacturing of dies required for manufacture of aluminium extrusions.

The company had initially put up two presses viz. Presses of capacities 900 MT & 1620 MT and had subsequently expanded in 1997 by installing its 3rd press of 1250 MT capacity.

Following table shows the Capacity and production during the last five years :

	2003-04	**2002-03**	**2001-02**	**2000-01**	**1999-2000**
Installed capacity	9000 MT	9000 MT	9000 MT	9000 MT	9000 MT
Production :					
Aluminium Extrusions	6376 MT	5586 MT	3037 MT	2799 MT	2555 MT
Other Aluminium Products	-	10 MT	86 MT	564 MT	-

PRODUCT AND ITS USES

Aluminium is the preferred metal of modern age owing to is lightness, strength, attractive appearance and durability. It has also high resale value. For high strength to weight ratio, for easy formability in different complicated sections, for ease of fabrication and for smooth surface finish, aluminium extruded products have found a vide range of uses. The application of aluminium extrusion can be broadly divided into following two parts :

1. **Conventional Applications:**

- Architectural profiles for Doors, Windows, Partition Walls, False Ceilings, Tower Bolts, Door Handles, and Drapery Rods etc.
- Transport sections for Bus and Truck Bodies, Decorative Beading, Step Edging Sections etc.
- Irrigation Tubes
- Electrical applications such as Tubes and Flats for Bus Bars, P.G. Clamps, Repair Sleeves, Ferrules etc.
- Motor Body, Pump Body, Heat Sinks (for Heat Transfer) and numerous other Engineering Applications.
- Rail Coach Windows and Doors, Ship Windows etc.
- Various special profiles for Defence applications

2. **New Applications:**

- Architectural profiles for Building System, Structural Glazing, Curtain Walls and Aluminium Rolling Shutters
- Automobile components
- Profiles for Heat Transfers in various new applications.

The usage of Aluminium Extrusions in India has been mainly concentrated in architectural applications. Even in architectural applications, the usage has been concentrated in **conventional applications** i.e. in fabrication of doors, windows, partition walls, door handles, false ceilings etc. from standard profiles, which are usually kept in ready stock by the dealers.

Until now, there has been very limited usage of Extrusions in the **new applications** i.e. Building System, Structural Glazing, Curtain Walls, Automotive Components, Heat Transfer Tubing and Rolling Shutters etc. Even in Bus and Truck Bodies the usage of extrusions has been very low. These areas stand out to be main segments for future growth of extrusion industry.

PRESENT INFRASTRUCTURE:

The following are the details of offices, plants and other locations from which the company operates:

Regd. & Head Office	:	113, Park Street, 'N' Block 2nd Floor, Kolkata – 700 016
Works	:	WBIIDC Industrial Growth Centre Plot No. 7A, Sector – 'B' P.O. Rakhajungle, Nimpura Kharagpur – 721 301 Dist. Midnapur (W.B)
Branch Offices :		
Delhi		Sunderlal Jain Charitable Eye Hospital Sadar Thana Road Paharganj New Delhi – 110 055
Chennai		Shroff Orchards 78, New Avadi Road, Kilpauk Chennai – 600 010
		No. 125, M. G. Road, 1st Floor Alkarim Trade Centre Secunderabad – 500 003
Mumbai		D-306, Crystal Plaza, 3rd Floor New Link Road, Andheri (West) Mumbai – 400 053
Kanpur		110/201, G. T. Road Laxmi Tower Near R. K. Mission School Kanpur – 208 012

REASONS FOR SICKNESS:

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 and the Company became a sick industrial undertaking as on that date. The BIFR, at its meeting held on 30.12.2001 declared the Company as a 'Sick Industrial Company'.

REHABILITATION SCHEME

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:

Liabilities to Banks

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 Crores)

	SBI	Allahabad Bank	Total
Outstanding	13.76	11.35	25.11
OTS Amount	8.13	6.71	14.84
Right of recompense	2.43	1.69	4.12

The amount of right of recompense represents the amount of interest sacrificed by the banks for the period 01.04.1998 to 31.03.2000. The amount of Right of Recompense is being shown as Contingent Liability in Company's balance Sheet.

b) Fresh Facility of Letter of Credit- Rs.6.00 Crores

The banks have provided a fresh L/C facility of Rs. 6.00 crores to part finance the working capital requirement of the company, subsequent to OTS.

Soft Loan and Relief & Concessions from the Govt. of West Bengal

a) Soft Loan

The Govt. of West Bengal has sanctioned and disbursed a soft loan of Rs.5.00 Crores towards Working capital requirement assessed in the rehabilitation package. The loan carries a 3 year moratorium on principal repayment and an interest of 8.75% p.a. payable from the first anniversary of loan disbursement with a rebate of 2% for timely repayment.

b) Relief & Concessions

The Govt. of West Bengal has provided the following relief and concessions to the Company as per the West Bengal Industrial Reconstruction Scheme, 2001:

i) Conversion of unpaid amount of deferred sales tax of Rs.3.14 crores into soft loan as on 1st April, 2004. The loan is repayable in 11 years with a moratorium in repayment of principal amount for first three years. The soft loan is carrying an interest of 6.75% p.a. on reducing balances, payable annually on the date of 1st anniversary from the date of conversion into soft loan i.e. from 01.04.2004.

ii) Waiver of electricity duty for a period of 5 years from 27th August, 2003.

Reduction of Equity Capital –set-off against Accumulated Losses

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 has

- 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.

Cost of Scheme and Means of Finance

The details of Cost of Scheme and Means of Finance as appraised by the Company's Banks - State Bank of India and Allahabad Bank, and incorporate in the approved rehabilitation scheme are as follows:

Cost of Scheme	**Rs./lacs**
Net Payment to Banks:	
Repayment of existing dues Rs. 1484 lacs	
Net of fresh NFB facility of Rs. 600 lacs	884
Capital Investment for modernisation	100
Increase in Net Current Assets	545
	1529
Means of Finance	
Promoters' contribution	870
Deferred Sales Tax	144

Soft loan for Govt. of West Bengal	500
Capital subsidy	15
	1529

Promoters' contribution

As envisaged in the approved Rehabilitation Scheme, the total Promoters' contribution of Rs.8.70 crores is to be raised in the following manner:

		Rs. in lacs
a)	Equity Capital already raised up to 31-12-2002	424
b)	Unsecured Loan/ Suppliers' credit already brought in as on 31-12-2002	4
c)	Fresh Equity Capital to be raised through a rights issue of equity shares in the ratio of 35 shares for every 12 shares held – 3,50,00,000 Equity Shares of the face value of Re.1/- each	350
d)	Unsecured Loan / Suppliers' Credit from group concern beyond 31-12-2002	92
	C. TOTAL	**870**

Apart from the funds already raised, the Suppliers' credit from group concerns has been duly raised. The balance sum of Rs.3.50 crore is to be raised by way of Equity Capital of Rs.350 lacs by making a Rights Issue of Equity Shares in the ratio of 35 Equity Shares for every 12 Shares held which is proposed to be raised through this letter of offer.

The promoters of the Company have to undertake to subscribe to the additional Equity Shares beyond their entitlement if the issue is undersubscribed, and such undertaking shall be duly disclosed in the rights letter of offer as required by the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

PRESENT SCENARIO:

a) Impact of implementation of Rehabilitation Scheme

The Company had been carrying huge interest burden due to past losses. For the Company to revive and stand on its feet, it was imperative to reduce the interest burden. As part of the Rehabilitation Scheme, the Company entered into an agreement for One Time Settlement (OTS) of its dues with its Banks viz. State Bank of India and Allahabad Bank. The Banks also agreed to extend a non-fund base facility of Rs.600 lacs subsequent to OTS as working capital support.

Further, the Company has received a soft loan of Rs.500 lacs from the Government of West Bengal to part finance its revival efforts.

The Company's interest burden has substantially reduced on implementation of OTS with the banks and on Company getting soft loan from Govt. of West Bengal. Further, the general softening of interest rates in the economy over last few years has helped in sizable reduction in interest burden on the Company, paving the way for its revival.

b) **Impact of change in market strategy / product-mix**

In past, the Company had been mainly dependent on sale through dealers for making its products. Unfortunately, in times of recession, the Company which depends on the dealers for marketing its products suffers the most and the same happened with CEL

Over last three years, the Company has changed its marketing strategy, and has developed a large number of end use customers, which has provided the Company with a stable market. Simultaneously, the Company has developed various new alloys diversifying its product portfolio, as a result of which value addition has improved. The Company has also taken various steps to reduce costs, improve productivity and reduce process rejections, as a result of which the cost of production has decreased significantly.

c) **Significant improvement in operating capacity over last 5 years**

As a result of the above steps, the Company has been able to improve its level of operations. The growth in Company's sales over last 5 years and for the 9 month period ended 31.12.2004 has been as follows:

Year	**Sales Value (Rs. in Lacs.)**
1999-2000	2899.71
2000-2001	3515.43
2001-2002	3642.24
2002-2003	6668.41
2003 – 2004	7536.13
Period 31.12.2004	6082.32

Manpower:

The Company had entered in to a long-term wage agreement with the workers unions. The agreement entered on 04-12-02 is valid for a period of 3 years beginning from 1st January 2003 to 31st December, 2005.

The Company does not have any over due payable to any of its staff or workmen on any account whatsoever.

Statutory Liabilities

The Company has been making payment of all other statutory liabilities on due dates. There is no default in payment of any other statutory liability. More specially, there is no overdue on account of employees (EPE) provident Fund and employees State Insurance (ESI).

Liabilities to the Income Tax Department

The Company does not have any outstanding tax liability. Further, the Company is not seeking any relief/ concession from the income Tax Department.

Sundry Creditors

The sundry creditors reflected in the Company's Balance Sheet are regular creditors for supply of goods and services in normal course of business. The Company is making payment to its sundry creditors as per the terms of supply and does not have any pending dispute with any of its suppliers.

IX. INDUSTRY OVERVIEW:

The aluminium extrusions industry constitutes of two segments-Primary Producers and Secondary Producers. The primary producers produce alumina, aluminium metal and further value added products such as rolled products, extrusions etc. There are five primary aluminium metal producers in India, viz. National Aluminium Co. Ltd. (NALCO), Hindalco Industries Ltd.(HINDALCO), Bharat Aluminium Co. Ltd. (BALCO), Indian Aluminium Co. Ltd.(INDAL) and Madras Aluminium Co. Ltd.(MALCO). Of these five primary metal producers, two producers, viz. HINDALCO AND INDAL also manufacture aluminium extrusions.

The Secondary Aluminium Metal producers buy aluminium metal from primary producers and manufacture extrusions. CEL is one of the big secondary aluminium extrusion manufacturers in the country.

The Aluminium extrusion market can also be divided into two segments, viz. Trade segment and End use customer segment. The price realization in the trade segment is extremely volatile, whereas from the end-use segment, the realization is fairly stable.

CEL enjoys the reputation of being a quality producer in the industry. Even then, in times of recession, the low price realization from trade segment does affect the profitability of the company. In order to overcome this difficulty, the company has gradually strengthened its presence in End use customer segment.

Market:

The aluminium extrusions industry experienced the entry of many new players in the nineties and has become more fragmented. In 1991-92, with over 60 players in the field, the domestic extrusion capacity was 122000MT but production was about half this at 61000 MT close to consumption at 60000 MT. Eight years later, in 1999-00, extrusions capacity increased to 190000 MT when domestic consumption was 105000 MT and exports 4000 MT. Total production reached 109000 MT. Four years later, in 2003-04, domestic extrusions capacity went up to 202000MT and involved over 70 players. In that year, domestic consumption was 117000 MT, exports were 15000 MT and total production was 132000 MT. Thus, during the past 12 years 1991/92 to 2003/04 production has grown at the rate of 6.6% CAGR and consumption at 5.7% CAGR. In 2003, the extrusions sector witnessed a capacity overhang of 70000 MT or nearly 35%. The following Table summarizes the result.

	91-92	99-00	03-04	2010 Estimate	2020 Estimate
Capacity	122	190	202	202	400
Production	61	109	132	188	370
Domestic demand	60	105	117	166	325
Export	-	4	15	22	45
Excess capacity	62	81	70	14	30

Table – Extrusions capacity, production and demand 1991-2020

The industry is expected to improve in the coming years. Domestic demand is projected to grow by 6% per annum in the next six years. By 2010, domestic extrusions demand will rise to about 166000MT and exports grow from 15000 MT in 2003 to 22000 MT. Thus in 2010, total production should be in the order of 188000MT. Hence, during this period, the industry is not expected to add new capacity. The extrusion sector expects India's demand to grow by

7% per annum during the period 2010-20. Thus, by 2020, domestic demand would be 325000 MT and exports may touch 45000 MT. Hence, total production is expected to be 370000 MT by 2020. Keeping this growth possibility in view, the domestic extrusions capacity is expected to grow from the present 202000 MT to around 400000 MT by the end of 2020.

[Source: Artcle titled Capacity Expansion in India: Vision 2020 by Dilip Kr Jha published in January/February 2005 edition of Journal Aluminium International Today.]

CHANGE IN AUDITORS

There is no change in auditors during the last three years.

EXPERT OPINION :

No opinion of any expert has been obtained by the company, except Auditor's Certificate regarding the Tax benefits available to the Company and members of the Company as stated on page nos. 40 to 44 in this Letter of Offer.

X. COMPANY'S FINANCIAL PERFORMANCE IN THE LAST FIVE YEARS

Auditor's Report

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

Dear Sirs,

Re: Proposed Rights Issue

Offer to issue and allot 3,50,00,000 Equity Shares of Re.1/- each at a price of Re.1/- per share on Rights basis in the ratio of 35 Equity Shares for every 12 Equity Shares held

We have examined the financial information contained in the statements annexed to this report i.e. Annexures 1 to 7 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 we report that:

1. We have examined the 'Statement of Profits and Losses' of the Company for each of the financial years ended 31st March, 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 and for the 9 months period ended 31st December 2004 and the 'Statement of 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 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 and 9 months period ended 31st December 2004 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 'Cash Flow Statement' in respect of each of the years ended 31st March, 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 and 9 months period ended 31st December 2004, 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 Standards 3 (Cash Flow Statements) issued by the Institute of Chartered Accountants of India

3. We have examined the accompanying 'Statement of Borrowings' to the extent applicable for the five financial years ended 31st March, 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 and 9 months period ended 31st December 2004, enclosed as **Annexure – 5** to this report, and report that it correctly records the matters stated therein.

4. We have examined the 'Statement of Accounting Ratios' of the Company for each of the five financial years ended 31st March 2000, 31st March 2001, 31st March 2002, 31st March

2003 and 31st March 2004 and 9 months period ended 31st December 2004, enclosed as **Annexure – 6** to this report and confirm that they have been correctly computed.

5. We have to report that the Company has not declared any dividend in respect of the five financial years ended 31st March, 2000, 31st March 2001, 31st March 2002, 31st March 2003 and 31st March 2004 and for the 9 months period ended 31st December, 2004.

6. We have to report that the company did not earn any profit in any of the last five years, and hence it did not enjoy any tax shelter.

   Note: In respect of AS-22 on "Accounting for Taxes on Income" issued by ICAI, provision for deferred taxation and provision for current taxation for the period ended31st December, 2004 has not been ascertained and provided. The same will be made at the year end.

7. We have examined the 'Capitalisation Statement' enclosed as **Annexure – 7** to this report, and report that it correctly records the matters stated therein.

8. We further report that the statement of Profit & Loss for nine months ended 31st December 2004, as stated in paragraph 1, is subject to note No. 9 as stated in Anexure 4 to the report regarding payment of remuneration of Rs 2.77 lacs to Managing Director for the period from 21.8.2004 to 31.12.2004 for which approval from Central Government is awaited.

We further report that the information mentioned in the above paragraphs 2, 3, 4 & 7 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 **Khetawat & Associates**
Chartered Accountants

A. K. Khetawat
Partner

Place: Kolkata
Date : February 23, 2005

Annexure 1

STATEMENT OF PROFITS AND LOSSES — **Rs Lacs**

Income	**9 month ended 31.12.2004**	**2004**	**2003**	**2002**	**2001**	**2000**
		For the years ended 31st March				
Gross sales:						
Manufactured goods	6,082.32	7,536.13	6,668.41	3,642.24	3,460.03	2,888.64
Trading goods	-	-	-	-	55.40	11.07
Total	6,082.32	7,536.13	6,668.41	3,642.24	3,515.43	2,899.71
Less: Excise Duty	840.32	1,027.90	909.56	499.26	468.33	367.41
Net sales	5,242.00	6,508.23	5,758.85	3,142.98	3,047.10	2,532.30
Other income:						
Interest received	2.36	8.52	9.15	5.33	3.15	38.71
Miscelleneous income	1.50	1.32	3.71	2.48	2.60	1.45
Rent received	0.10	0.13	0.13	0.16	0.17	0.54
Liabilities written back	0.06	1.82	1.54	4.53		12.62
Insurance claim received	-	-	1.12	-	-	-
Profit on sale of fixed assets	-	0.50	-	0.03	-	0.25
Bad debts recovered	-	4.27	-	-	-	-
Excess provision for doubtful debts written back	-	3.89	-	-	-	-
Increase (Decrease) in Inventories	153.30	36.70	(55.42)	(103.67)	131.24	(164.97)
TOTAL	**5,399.32**	**6,565.38**	**5,719.08**	**3,051.84**	**3,184.26**	**2,420.90**
Expenditure						
Cost of materials consumed	4,333.70	5,450.25	4,616.28	2,459.59	2,416.96	1,828.30
Purchases	-	-	-	-	54.85	10.96
Staff cost	251.26	310.95	290.10	258.66	274.26	227.90
Other manufacturing expenses	491.18	604.65	602.04	447.97	495.54	409.86
Administration expenses	70.44	114.27	117.94	91.64	108.58	94.79
Selling and distribution expenses	25.44	29.16	41.57	23.60	60.98	20.75
Interest	85.49	138.96	365.31	321.79	316.42	286.50
Depreciation	79.61	96.41	148.45	126.78	119.53	122.03
Preliminary, capital issue and deferred revenue expenses written off	-	0.16	0.32	0.88	3.94	4.37
TOTAL	**5,337.12**	**6,744.81**	**6,182.01**	**3,730.91**	**3,851.06**	**3,005.46**
Profit/(Loss) for the year	**62.20**	**(179.43)**	**(462.93)**	**(679.07)**	**(666.80)**	**(584.56)**
Prior period adjustment	(1.16)	(3.25)	(1.69)	(1.97)	(10.93)	(0.65)
Write down of long term investments	-	-	(2.99)	-	(9.06)	-
Waiver on settlement of dues with Banks	-	1,284.87	-	-	-	-
Profit/(Loss) before tax	**61.04**	**1,102.19**	**(467.61)**	**(681.04)**	**(686.79)**	**(585.21)**
Income tax	-	0.15	-	-	-	-
Income tax adjustment for earlier year	-	-	(0.20)		0.16	(4.15)
Profit/(Loss) after tax	**61.04**	**1,102.04**	**(467.81)**	**(681.04)**	**(686.63)**	**(589.36)**
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	-			
Loss brought forward	(511.81)	(2,875.81)	(2,408.00)	(1,726.96)	(1,040.33)	(450.97)
Balance of Loss carried forward	(450.77)	(511.81)	(2,875.81)	(2,408.00)	(1,726.96)	(1,040.33)

Annexure 2

STATEMENT OF ASSETS AND LIABILITIES **Rs lacs**

		9 month ended 31.12.2004	For the years ended 31st March 2004	2003	2002	2001	2000
A.	**Fixed Assets**						
	Gross Block	2,122.18	2,110.70	2,141.01	2,127.74	2,111.22	2,116.89
	LESS: Depreciation	1,328.44	1,251.74	1,170.06	1,027.35	900.65	787.23
	Net Block	793.74	858.96	970.95	1,100.39	1,210.57	1,329.66
	Capital Work in Progress	3.80	-	0.79	14.86	16.34	12.88
	Net Block incl. Capital WIP	**797.54**	**858.96**	**971.74**	**1,115.25**	**1,226.91**	**1,342.54**
B.	**Current Assets, Loans and Advances**						
	Inventories	679.21	448.56	477.40	568.55	776.44	738.77
	Sundry Debtors	556.65	438.29	644.54	448.40	476.63	426.88
	Cash & Bank Balances	66.86	65.47	50.00	59.41	65.45	97.58
	Loans & Advances	128.86	106.58	85.39	65.76	78.93	136.11
	TOTAL	**1,431.58**	**1,058.90**	**1,257.33**	**1,142.12**	**1,397.45**	**1,399.34**
C.	**Investments**	0.01	0.01	0.01	3.01	3.01	12.07
D.	**Liabilities & Provisions**						
	Secured Loans	505.93	599.64	2,638.25	2,327.09	2,015.72	1,904.66
	Unsecured Loans	1,305.02	1,224.03	736.57	647.32	598.76	648.49
	Current Liabilities & Provisions	748.95	486.01	348.27	312.49	359.25	289.37
	TOTAL	**2,559.90**	**2,309.68**	**3,723.09**	**3,286.90**	**2,973.73**	**2,842.52**
E.	**Net worth**	(330.77)	(391.81)	(1,494.01)	(1,026.52)	(346.36)	(88.57)
F.	**Represented by**						
	1. Share Capital	120.00	120.00	1,200.00	1,200.00	1,200.00	775.79
	2. Reserves	-	-	141.96	141.96	141.96	141.27
G.	Profit and Loss Account	(450.77)	(511.81)	(2,835.81)	(2,368.00)	(1,686.96)	(1,000.33)
H.	**Misc. Expenditure**		-	(0.16)	(0.48)	(1.36)	(5.30)
I.	**Net worth**	(330.77)	(391.81)	(1,494.01)	(1,026.52)	(346.36)	(88.57)

Annexure 3

CASH FLOW STATEMENT **(Rs Lacs)**

		9 month ended 31.12.2004	For the years ended 31st March 2004	2003	2002	2001	2000
A.	**CASH FLOW FROM OPERATING ACTIVITIES**						
	Net Profit/(Loss) before tax and extraordinary items:	62.20	(179.43)	(465.92)	(679.07)	(666.80)	(584.56)
	Adjustment for :- Depreciation	79.61	96.41	148.45	126.78	119.53	122.03
	Investment written off	-	-	2.99	-	-	-
	Deffered revenue expenses	-	0.16	0.32	0.88	3.94	4.19
	(Profit)/Loss on sale of fixed assets	1.24	(0.50)	3.18	(0.03)	2.80	(0.25)
	Interest Paid	85.49	138.96	365.31	321.79	316.42	286.50
	Less : Interest Received	(2.36)	(8.52)	(9.15)	(5.33)	(3.15)	(38.71)
	Operating Profit/(Loss) before working capital changes	226.18	47.08	45.18	(234.98)	(227.26)	(210.80)
	Adjustment for : Trade and other receivables	(140.64)	185.06	(215.77)	41.40	7.43	386.36
	Inventories	(230.65)	28.84	91.15	207.89	(37.67)	173.93
	Trade payables	262.94	137.74	35.78	(46.73)	70.04	(797.56)
	Cash generated from operations	117.83	398.72	(43.66)	(32.42)	(187.46)	(448.07)
	Interest paid	(85.49)	(138.96)	(365.31)	(321.79)	(316.42)	(286.50)
	Interest received	2.36	8.52	9.15	5.33	3.15	38.71
	Cash flow before extraordinary items	34.70	268.28	(399.82)	(348.88)	(500.73)	(695.86)
	Taxation	-	(0.15)	(0.20)	-	-	(4.15)
	Extraordinary Items	(1.16)	(3.25)	(1.69)	(1.97)	(10.93)	(0.65)
	Net cash from operating activities	33.54	264.88	(401.71)	(350.85)	(511.66)	(700.66)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**						
	Purchase of fixed assets	(20.89)	(9.14)	(9.35)	(15.30)	(13.02)	(7.52)
	Sale/Adjustment of fixed assets	1.46	26.01	1.23	0.18	6.32	2.20
	Net cash used in investing activities	**(19.43)**	**16.87**	**(8.12)**	**(15.12)**	**(6.70)**	**(5.32)**
C.	**CASH FLOW FROM FINANCIAL ACTIVITIES**						
	Proceeds from issue of share capital				-	424.90	
	Proceeds from long term borrowings	536.42	(47.78)	90.67	(164.32)	757.41	87.25
	Proceeds from short term borrowings	50.50	128.99	(2.62)	-	-	-
	Subsidy received				-	-	20.00
	Proceeds from Sale of Investments	-	-	0.01	-	-	-
	Increase in interest accrued and due	-	-	356.40	-	-	-
	Waiver on Settlement of Dues with Banks	-	259.45	-	-	-	-
	Net cash used in financing activities	**586.92**	**340.66**	**444.46**	**(164.32)**	**1,182.31**	**107.25**
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	601.03	622.41	34.63	(530.29)	663.95	(598.73)

Cash and cash equivalents opening balance:						
Cash and bank balance	65.47	50.00	59.41	65.45	97.58	144.43
Cash credit accounts	-	(1,206.58)	(1,250.62)	(726.37)	(1,422.45)	(870.57)
Settlement Accounts	(599.64)	-	-	-	-	-
	(534.17)	(1,156.58)	(1,191.21)	(660.92)	(1,324.87)	(726.14)
Cash and cash equivalents closing balance:						
Cash and bank balance	66.86	65.47	50.00	59.41	65.45	97.58
Cash credit accounts	-	-	(1,206.58)	(1,250.62)	(726.37)	(1,422.45)
Settlement Accounts	-	(599.64)	-	-	-	-
	66.86	(534.17)	(1,156.58)	(1,191.21)	(660.92)	(1,324.87)

Annexure 4

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

Significant accounting policies adopted in the preparation and presentation of the accounts are as under:-

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, Lease hold Land and Site Development Expenses are not depreciated. No amount is written off in respect of Lease Premium & Site Development Expenses for leasehold land since the lease is for a very long period.

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

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

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

d. **Dies and Tools:**
Expenditure incurred on different heads for manufacture of dies and tools are directly charged to profit and loss account**.**

e. **Sales:**

Sales include excise duty whenever applicable.

f. **Purchases:**

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

g. **Foreign Currency Expenditure:**

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

h. **Retirement Benefit:**

i) Gratuity: The Company contributes to a Gratuity Fund and the Fund has taken a Group Policy with Life Insurance Corporation of India for future payments of gratuity to retiring employees. The annual premium amount payable is so adjusted as to cover the liability under the Scheme in respect of all employees at the end of their future anticipated service with the Company.

ii) Leave Encashment Year-end accrued liability towards leave encashment benefit payable to employees is recognized as revenue charge in the accounts.

i. **Preliminary Expenses and Capital issue Expenses:**

Preliminary Expenses and Capital issue Expenses are written off over a period of 5 years.

j. **Deferred Revenue Expenditure:**

Deferred Revenue Expenditure is being written off over a period during which benefit is expected to accrue.

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.

2. Contingent Liabilities not provided in respect of

a Bank Guarantees outstanding Rs.41.40 lacs (previous year Rs.42.09 lacs) and Letter of Credit issued by Banks on behalf of the Company Rs 120.00 lacs (Previous year nil) against which Rs.24.25 lacs (previous year Rs.17.05 lacs) have been deposited with the Banks as Margin Money.

b. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs.10.05 lacs, Rs.3.93 lacs and Rs 2.89 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 1999-2000, 2000-2001 and 2001-2002 against which the Company has referred appeals before the higher authorities.

c. Bills discounted with banks Rs.68.65 lacs (previous year Rs.71.91 lacs).

d. The Company had done a one time settlement of its entire outstanding of Term Loan and Working Capital dues to its banks viz. State Bank of India and Allahabad Bank whereby the banks had waived a part of the outstanding amount. One of the conditions of waiver by Banks was a 'Right of Recompense' of Rs.2.43 crores to State Bank of India and Rs. 1.69 crores to Allahabad Bank against the waiver, in case of higher than projected profitability in future.

e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.104.41 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.

3. Loans and Advances include:

a. Rs.35.00 lacs (previous year Rs.35.00 lacs) being security deposit for office premises made to a private limited company in which a relative of two of the directors is interested as a director.

b. Rs.0.10 (previous year Rs.0.10 lacs) being security deposit made to the relative of the Directors of the Company.

4. The Company had deferred tax assets of Rs.573 lacs as on 31st March 2004. The industry scenario at that time did not provide any certainty that company would have significant future taxable income to realize the benefit of such deferred tax assets. Hence, no provision was made for the same.

The impact for the current financial year shall be determined at the end of the year.

5 In view of the past brought forward losses, no income tax liability will arise for the current financial year.

6 Impairment in the value of assets, if any, will be accounted for at the end of the current financial year.

7. 7.The total dues outstanding to Small Scale Industrial Undertakings as at 31.12.2004, to the extent identified based on the available information, included under Current Liabilities is

Rs 83,63,439.00 (Previous Year nil). The details of outstanding exceeding Rs 1.00 lacs and more than 30 days with to Small Scale Industrial Undertakings as at 31.12.2004 are:

Name of the Company	Amount Rs.
Hind Polyfabes (P) Ltd	2,35,662.00
Khaitan Paper & Packaging (P) Ltd	1,21,103.00
Kutir Udyog Kendra (I) Ltd	75,72,080.00
Total	79,28,845.00

8. a) The Board for Industrial and Financial Reconstruction (BIFR) had, at its hearing held on 30.12.2002, declared the Company to be a sick industrial company within the meaning of Section 3(1)(0) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA). The BIFR has since approved a rehabilitation scheme under Section 17(2) of SICA vide its order dated 27.08.2003 which is under implementation.

b) In accordance with terms of the BIFR approved rehabilitation scheme, the Company's Paid Up Equity Share Capital was reduced from Rs.12,00,00,000/- (Rupees Twelve crores only) to Rs.1,20,00,000/- (Rupees One crore twelve lacs only) by way of reduction of each equity share of face value of Rs.10/- each fully paid up to one equity share of face of Re.1/- each fully paid up. Such reduction in Equity Capital amounting to Rs.10,80,00,000/- (Rupees Ten crores eighty lacs only) was adjusted with the accumulated losses. Similarly, the Capital Reserve of Rs.41,96,000/- (Rupees Forty one lacs ninety six thousand only), Share Premium Account of Rs.1,00,00,000/- (Rupees One crore only) and balance in General Reserve of Rs.40,00,000/- (Rupees Forty lacs only) were also adjusted with the accumulated losses. Such reduction in Capital was effected on 30th October 2003.

c) As part of the Rehabilitation Scheme, the Company was to raise a sum of Rs.350 lacs by way of 'Rights Issue' of Equity Shares. The Rights Issue was approved by the members of the Company at the Extra-ordinary general meeting held on 31.10.2003.

d) As part of the approved Scheme during the financial year 2002 – 03, the Company's Banks viz. State Bank of India and Allahabad Bank had agreed to settle the entire outstanding, which as per their records stood at Rs 25.11 crores as on 31st March 2002, at Rs 14.84 crores and had agreed to waive the balance amount. The gross amount of outstanding was different as per the Company's records since the Banks had stopped charging interest / compound interest once the Company's Account was classified as Non – Performing Asset (NPA). The waiver was shown in the Profit and Loss Account for the year ended 31.03.2003 as an exceptional item.

e) As per the BIFR approved Rehabilitation Scheme, the Company is eligible to a 30% concession in power tariff from West Bengal State Electricity Board (WBSEB) for a period of three years beginning from 27th August, 2003 to 26th August, 2006. The said concession was unilaterally and abruptly withdrawn by WBSEB with effect from 1st April 2004. The Company has filed a suit against this decision of WBSEB with the Hon'ble Calcutta High Court. However, the Company has not accounted for the concession which may be received from WBSEB as per the terms of BIFR approved scheme.

f) The company has continued its normal manufacturing operation while it has been under the purview of the BIFR. Hence, the accounts are prepared on a going concern basis.

9. Remuneration to Managing Director

(Rs. Lacs)

	2003-04	2002-03	2001-02	2000-01	1999 – 00
Salary	3.60	3.60	0.60	0.60	0.60
Perquisites	2.17	2.20	0.37	0.37	0.37
Contribution to P.F.	0.43	0.43	0.07	0.07	0.07
Total	6.20	6.23	1.04	1.04	1.04

The earlier approval granted by the Central Government for re-appointment of Mr M P Jhunjhunwala as Managing Director of the Company was valid till the previous Annual General Meeting (AGM) i.e. up to 20.8.2004. After getting approval of shareholder at the AGM, an application was made to the Central Government for seeking approval for a further period of five years. The application is still pending with the Central Government. Pending such approval a sum of Rs 2.77 lacs has been provided towards remuneration payable to Managing Director for the period from 21.8.2004 to 31.12.2004.

10. The company had been following the practice of capitalising ‘Dies and Tools’ and depreciating the value of ‘Dies and Tools’ in equal installments over a period of 10 years. In case of the Dies or Tools getting broken, or getting out of tolerance in any year, 100% of residual value was written off in that year.

The system of valuation of ‘Dies and Tools’ was changed w.e.f. 1st April 2002 whereby the expenditure incurred on different heads for manufacture of dies and tools are directly charged to profit and loss account instead of first being capitalised and then gradually depreciated.

Since the accounting policy was changed from the year 2002-2003, for the purpose of preparation of the financial statement as per SEBI (Disclosure and Investor protection) guidelines, 2000, the accounts have been re-stated applying the current accounting policy of charging expenses for manufacture of dies and tools directly to the profit and loss account uniformly for the previous five financial years and for the nine-months period ended 31st December, 2004.

As such, the results as per this financial statement are at variance from the audited financial results.

11 Disclosure of related parties / related party transactions :

a) Names of related parties :

Sl No.	Name of Related Party	Relationship
1	Century Aluminium Mfg Co. Ltd	Associate Concern
2	Sangam Aluminium Ltd	Associate Concern
3	Vintage Capital Markets Ltd	Associate Concern
4	Ensa Properties & Finance (P) Ltd	Associate Concern
5	Paramsukh Properties (P) Ltd	Associate Concern
6	Dhruv Metals (P) Ltd	Associate Concern
7	Century NF Castings Ltd	Associate Concern
8	Jeco Exports and Finance Ltd.	Associate Concern
9	Multi Metal Udyog	Associate Concern
10	Nandadevi Sales Agency	Associate Concern

b) Key Management Personnel & their relatives

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

c) Disclosure of related party transactions :

(Rs. In lacs)

Sr No	Nature of relationship/ transaction	Associate Concerns	Key Management Personnel	Relatives of Key Management Personnel
1	Purchase of Goods	3,709.29	-	-
2	Sale of Goods	75.48	-	-
3	Rent Paid	4.15	-	0.17
4	Interest Paid	0.18	-	-
5	MD Remuneration	-	4.72	

d) Outstanding balances as on 31st December, 2004

	(Rs in lacs)
Loans & Advances	
Associate Concerns	35.00
Key Management Personnel & Relatives	-
Sundry Creditors	
Associate Concerns	139.84
Key Management Personnel & Relatives	-
Unsecured Loans	
Associate Concerns	-
Key Management Personnel & Relatives	55.00
Sundry Debtors	
Associate Concerns	0.10
Key Management Personnel & Relatives	-

Annexure 5

STATEMENT OF BORROWINGS

(A) Secured Loans as on 31st December 2004

Name of the Lender	Government of West Bengal	ICICI Bank Ltd.
Sanctioned Amount	Rs. 500.00 Lacs	Rs. 6.13 Lacs
Date of Last Disbursement	28.10.2004	10.11.2004
Rate of Interest	8.75%pa with a rebate of 2.00%pa for timely payment	6.35%pa
Principal Repaid	Nil	Rs. 0.20 Lacs
Principal Outstanding	Rs. 500.00 Lacs	Rs 5.93 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
Repayment Schedule	In 5 equal annual installments with a moratorium on repayment for first 3 years	Equal monthly installments in 5 years

Note: The Company has been sanctioned non-fund based credit facilities of Rs 652 lacs by its banks viz. State Bank of India and Allahabad Bank. Such facilities are secured by the following:

a. first mortgage of the Company's immovable properties, both present and future and by first charge by way of hypothecation of all the Company's movables (save and except inventory and book debts) including movable machinery spares, tools and accessories both present and future, ranking pari passu with the Government of West Bengal for the Term Loan of Rs 500 lacs.
b. hypothecation of the Company's stocks of raw materials, finished goods, stock in process, consumable stores and spares and book debts

(B) Unsecured Loans as on 31st December 2004

Particulars	Balance as on 31.12.2004	Interest Rate % p a	Repayment Terms
	Rs. Lacs		
From Promoters	55.00	Nil	On call
From other Bodies Corporate	474.50	Max up to 9% pa	On call
West Bengal Industrial Development Corporation	1.41	Nil	March 2005
Sales Tax Loan	314.00	8.75%pa with a rebate of 2.00%pa for timely payment	Repayable in 8 equal annual installments with a moratorium on repayment for first 3 years
Deferred Sales Tax (Under West Bengal Industrial Incentive Scheme)	460.11	Nil	Repayable quarterly over a period of eight years, depending on the corresponding collection in relevant quarter in the collection year

Annexure 6

STATEMENT OF ACCOUNTING RATIOS

(Rs in Lacs)

Particulars	9 months ended 31/12/2004	2003-04	2002-03	2001-02	2000-01	Rs. lacs 1999-00
Profit/(Loss) after tax	61.04	1102.04	(467.61)	(681.04)	(686.79)	(585.21)
Less : Extraordinary Items						
Write down of long term investments	0.00	0.00	0.00	0.00	(9.06)	0.00
Waiver on settlement of dues with banks	0.00	1284.87	0.00	0.00	0.00	0.00
Profit/(Loss) excluding extraordinary items	61.04	(182.83)	(467.61)	(681.04)	(677.73)	(585.21)
No. of Equity Shares	12000000	12000000	12000000	12000000	12000000	7750952
EPS Basic (Annualised)	0.68	(1.52)	(3.90)	(5.68)	(7.39)	(7.55)
EPS Diluted	0.68	(1.52)	(3.90)	(5.68)	(5.65)	(7.55)
Net worth	(330.77)	(391.81)	(1,494.01)	(1,026.52)	(346.36)	(88.57)
Return on Networth(%)	-	-	-	-	-	-
Nav per share	(2.76)	(3.27)	(12.45)	(8.55)	(2.89)	(1.14)

Annexure 7

CAPITALISATION STATEMENT

(Rs in Lacs)

Particulars	9 months ended 31/12/2004	2003-04	2002-03	2001-02	2000-01	Rs. lacs 1999-00
Debts						
Short Term Debts	620.42	1505.87	2618.17	2182.40	1755.12	1493.75
Long Term Debts	1190.53	317.80	756.65	792.01	859.36	1059.40
Total Debts	1810.95	1823.67	3374.82	2974.41	2614.48	2553.15
Shareholders Funds						
Share Capital - Equity	120.00	120.00	1200.00	1200.00	1200.00	775.79
Reserve and Surplus	(450.77)	(511.81)	(2694.01)	(2226.52)	(1546.36)	(864.36)
Total Shareholders Funds	(330.77)	(391.81)	(1494.01)	(1026.52)	(346.36)	(88.57)
Debt/Equity Ratio	-	-	-	-	-	-

For **Khetawat & Associates**
CHARTERED ACCOUNTANTS

A. K. Khetawat

Place : Kolkata
Partner
Date : 23.02.2005

INTEREST OF PROMOTERS / DIRECTORS

The Promoters and Directors are interested in the Company to the extent of their respective share holdings in the Company, remuneration paid by the company to Mr M P Jhunjhunwala in his capacity of Chairman and Managing Director of the Company, sitting fees and reimbursement of expenses payable to them.

Income-Tax authorities have lodged no prosecution in the past against the Promoters and other directors.

XI. MANAGEMENT DISCUSSION AND ANALYSIS ON PERFORMANCE OF THE COMPANY

The following is a summary of the financial results of last 3 years.

(Rs. in Lacs)

	9 months ended 31.12.2004	2003-04	2002-03	2001-02
Total Income	5399.32	6565.38	5719.08	3051.84
Total Expenditure	5337.12	6744.81	6182.01	3730.91
Net Profit/(Loss)	61.04	1102.04	(467.81)	(681.04)

9 months period ended 31.12.2004

The Company achieved net sales of Rs.5242 lacs showing a growth of 3.82% over corresponding previous 9 month period ended 31.12.2003. The company has achieved a net profit of Rs.61.04 lacs during this period, after successive operating losses over last 7 years.

2003 - 04

The company achieved net sales of Rs.6508.23 lacs, a growth of 13.01% over the previous year. The Company could reduce its losses pursuant to partial implementation of the Rehabilitation Scheme approved by BIFR.

2002-03

The company recorded in growth of turnover of 83.23% increasing its net sales from Rs.3142.98 lacs to Rs.5758.85 lacs. However, due to very heavy interest burden and non-availability of adequate working capital finance, the Company ended up with a loss of Rs.467.81 lacs.

2001-02

Due to non-availability of adequate working capital finance and extremely bad market conditions, the Company could achieve a very low turnover of Rs.3142.98 lacs and incurred a loss of Rs.681.04 lacs.

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.

Significant economic changes

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, which coupled with the Rehabilitation Scheme sanctioned by BFIR, has helped the Company to achieve a turnaround.

Known trends or uncertainties
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.

Future relationship between costs and revenues
The Company has been in existence for almost 14 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.

Total turnover of the industry
Total turnover of Aluminiuim Extrusions in the country amounts to Rs.1500 crores and the company contributes a share of approx. 5% of the total turnover in the industry.

New Products
There are no new products introduced by the company in the past one year.

Seasonality of business
The business in which company is engaged is not seasonal.

Dependence on single or few suppliers/customers
The main raw material required for manufacture of aluminium extrusions is aluminium metal i.e. Aluminium Ingots & Billets, which the Company presently buys from Hindalco Industries Ltd., National Aluminium Company Ltd. and Indian Aluminium Co. Ltd. Availability of aluminium metal is comfortable. Further, aluminium metal can be freely imported into the country. All other raw materials are indigenously manufactured and easily available. Therefore, there is no dependence on single or few suppliers/ customers.

Competitive Conditions
The Aluminium Extrusions industry is extremely competitive. There are primary producers like Hindalco Industries Ltd. and Indian Aluminium Co. 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.

Material Developments after the date of the last balance sheet
One of the important aspects of the Rehabilitation Scheme was disbursement of Rs.5.00 crores from the Govt. of West Bengal. The implementation of the Scheme was delayed due to delay in disbursement of the loan by Govt. of West Bengal. The entire soft loan has since been disbursed to the Company and the Rehabilitation Scheme stands fully executed except for making of the present Rights Issue of equity shares.

Adverse events
One of the concessions considered in the Rehabilitation Scheme was a grant of 30% concession in power tariff by West Bengal State Electricity Board for a period of 3 years commencing from 27th August, 2003. WBSEB has withdrawn the said benefit from 1st April, 2004 as per the Order of West Bengal Electricity Regulatory Commission. The Company has

preferred an appeal with Hon'ble High Court, Calcutta against withdrawal of the concession by WBSEB. Pending final decision, the Company has not considered the benefit of concession in preparation of its accounts for the period ended 31.12.2004.

STATEMENT OF ASSETS AND LIABILITIES AFTER DEDUCTING REVALUATION RESERVE AND NETWORTH ARRIVED AT AFTER SUCH DEDUCTION AS PER CLARIFICATION XIII.

The Company has not revalued its assets.

XII. SCHEDULE OF IMPLEMENTATION

The present Rights Issue is to finance a part of the cost of Rehabilitation Scheme. Hence, there is no schedule of implementation.

XIII. GROUP COMPANIES / FIRMS:

A. CENTURY ALUMINIUM MANUFACTURING CO. LIMITED

Century Aluminium Manufacturing Co. Ltd. was incorporated on 31.10.1974 under the Companies Act, 1956 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. The main business of the company is manufacture of Aluminium and Sinc based alloys and Pressure Die Castings. The company is owned by the promoters, their family members and business associates. Brief financials based on the audited accounts for the last three years is given below:

(Rs. in lacs)

Particulars	**Year ending 31.03.2004**	**Year ending 31.03.2003**	**Year ending 31.03.2002**
Equity Capital	405.94	405.94	405.94
Reserves (excluding revaluation reserves)	1209.43	1003.89	932.11
Total Income	18191.91	18380.98	16534.45
Profit After Tax (PAT)	205.54	179.67	177.96
Earnings Per Share (EPS) in Rs.	5.06	4.43	4.38
Net Asset Value (NAV) per share in Rs.	39.79	34.72	32.94

B. CENTURY NF CASTINGS LIMITED

Century NF Castings Limited, incorporated on 24.05.2001 under the Companies Act 1956, is yet to commence any business activity. The Company is a subsidiary of the group concern, M/s. Century Aluminium Mfg. Co. Ltd. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	**Year ending 31.03.2004**	**Year ending 31.03.2003**	**Year ending 31.03.2002**
Equity Capital	5.10	5.10	-
Reserves (excluding revaluation reserves)	Nil	0.22	-
Total Income	0.06	1.63	-
Profit/(Loss)After Tax (PAT)	(1.14)	0.22	-
Earnings Per Share (EPS) in Rs.	(1.43)	0.44	-
Net Asset Value per share (NAV) in Rs.	4.64	4.61	-

C. M/S. PARAMSUKH PROPERTIES PVT. LTD.

Paramsukh Properties Pvt. Ltd. was incorporated on 21.06.1991 under the Companies Act 1956.The main activity of the company is to buy and lease out residential and commercial properties. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	**Year ending 31.03.2004**	**Year ending 31.03.2003**	**Year ending 31.03.2002**
Equity Capital	72.53	72.53	72.53
Reserves (excluding Revaluation reserves)	Nil	Nil	Nil
Total Income	9.60	6.44	9.85
Profit After Tax (PAT)	2.53	0.59	(1.85)
Earnings Per Share (EPS) in Rs.	0.35	0.08	Nil
Net Asset Value (NAV) per share in Rs.	9.67	9.32	9.23

D. M/S. ENSA PROPERTIES & FINANCE PVT. LTD.

Ensa Properties & Finance Pvt. Ltd. incorporated on 21.06.1991 under the Companies Act 1956.The main activity of the company is to buy and lease out residential and commercial properties. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	**Year ending 31.03.2004**	**Year ending 31.03.2003**	**Year ending 31.03.2002**
Equity Capital	1.00	1.00	0.72
Reserves (excluding Revaluation reserves)	Nil	Nil	Nil
Total Income	1.67	1.66	2.91
Profit After Tax (PAT)	0.89	0.60	0.35
Earnings Per Share (EPS) in Rs.	8.93	6.04	4.82
Net Asset Value (NAV) per share in Rs.	(6.00)	(14.92)	(32.88)

E. M/S VINTAGE CAPITAL MARKETS LIMITED.

Vintage Capital Markets Limited, incorporated on 31.03.1995 under the Companies Act, 1956 is engaged in the business of share broking and is a member of the National Stock Exchange and Calcutta Stock Exchange. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	**Year ending 31.03.2004**	**Year ending 31.03.2003**	**Year ending 31.03.2002**
Equity Capital	182.5	182.5	182.5
Reserves (excluding revaluation reserves)	38.04	Nil	12.46
Total Income	204.55	35.18	60.10
Profit/(Loss) After Tax (PAT)	46.56	(24.29)	(1.54)
Earnings Per Share (EPS) in Rs.	2.52	(1.33)	(0.08)
Net Asset Value per share (NAV) in Rs.	12.08	9.52	10.67

F. KUTIR UDYOG KENDRA (INDIA) LTD.

Kutir Udyog Kendra (India) Ltd. was incorporated on 23.03.1989 under the Companies Act, 1956 as a private limited company and was subsequently converted to a public limited company on 23/09/1998. The company is currently engaged in the business of trading in aluminium products. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	Year ending 31.03.2004	Year ending 31.03.2003	Year ending 31.03.2002
Equity Capital	49.99	49.99	49.99
Reserves (excluding Revaluation reserves)	17.75	14.04	9.30
Total Income	973.25	649.94	427.30
Profit After Tax (PAT)	3.70	2.12	2.55
Earnings Per Share (EPS) in Rs.	0.74	0.42	0.51
Net Asset Value (NAV) per share in Rs.	13.54	12.79	11.84

G. DHRUV METALS PVT. LTD.

Dhruv Metals Pvt. Ltd. incorporated on 07.08.1981 under the Companies Act 1956 was previously dealing in aluminium products, but the business was discontinued long back. It presently does not have any business activity, and its equity capital has been suitably invested. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

(Rs. in lacs)

Particulars	Year ending 31.03.2004	Year ending 31.03.2003	Year ending 31.03.2002
Equity Capital	20.52	20.52	20.52
Reserves (excluding Revaluation reserves)	0.66	0.70	0.91
Total Income	0.04	0.02	1.50
Profit After Tax (PAT)	(0.04)	(0.18)	(0.09)
Earnings Per Share (EPS) in Rs.	(0.18)	Nil	Nil
Net Asset Value (NAV) per share in Rs.	103.22	103.41	104.44

H. 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 INDAL and is also engaged in the trading activities of Aluminium Products. The financial performance of the firm for the last three years are as follows :

(Rs. in lacs)

Particulars	Year ending 31.03.2004	Year ending 31.03.2003	Year ending 31.03.2002
Turnover	113.37	122.56	50.29
Profit Before Tax	10.37	1.37	12.43
Profit After Tax	6.60	0.84	11.18
Partners Capital Account	12.88	15.00	15.00

I. 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 are as follows :

(Rs. in lacs)

Particulars	Year ending 31.03.2004	Year ending 31.03.2003	Year ending 31.03.2002
Turnover	3905.82	3359.21	979.08
Profit Before Tax	19.53	17.85	19.57
Profit After Tax	12.24	10.93	12.32
Partners Capital Account	68.04	49.82	34.72

LISTED VENTURE OF THE PROMOTERS:

JECO EXPORTS & FINANCE LTD

Jeco Exports Limited was incorporated on 2.6.1982 under the Companies Act 1956. Subsequently its name was changed to JECO EXPORTS & FINANCE LTD on 21.9.1993. The company is indenting agent for a number of foreign suppliers of aluminium and aluminium products in India. The company is owned by the promoters and their family members. The financial overview of the company is as follows:

Particulars	Year ending 31.03.2004	Year ending 31.03.2003	Year ending 31.03.2002
Equity Capital	148.20	148.20	148.20
Reserves (excluding Revaluation reserves)	(2.25)	(19.44)	(13.30)
Total Income	12.22	19.13	14.73
Profit After Tax (PAT)	17.19	(6.14)	3.61
Earnings Per Share (EPS) in Rs.	1.16	(0.41)	0.24
Net Asset Value (NAV) per share in Rs.	9.85	8.69	9.10

XIV. INVESTOR GRIEVANCE REDRESSAL SYSTEM

The investor grievances against the Company will be handled by the Registrars and Transfer Agents in consultation with the secretarial department of the Company. The Company Secretary and Compliance Officer, Shri Sumit Modi handles all the grievances received by the Company. He supervises redressal of complaints received from the investors at the office of the Company as well as with the Registrars to the Issue and ensures timely settlement. All grievances related to the issue may be addressed to the Registrar to the issue quoting the application No. (including prefix), Number of equity shares applied for, amount paid on application, date, Bank and Branch / Collection center where application was submitted.

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: mscal@cal2.vsnl.net.in

DIRECTORS' STATEMENT

In the opinion of the Directors, there have not arisen since the date of the last financial statements disclosed in the Letter of Offer, any circumstances that materially and adversely affect or is likely to affect the trading or profitability of the Company, or the value of its assets, or its ability to pay liabilities within the next 12 months.

XV. STOCK MARKET DATA

The Company's shares are listed on BSE and NSE.

The high and low closing prices recorded on NSE and BSE for the preceding three years and the number of shares traded on the days the high and low prices were recorded are stated below:

NSE

Year ending 31st March	High (Rs.)	Date of High	Vol. on date of high	Low (Rs.)	Date of low	Vol. on date of low	Avg. price for the year
2004	6.00	09.07.03	61526	1.40	02.04.03	417	3.75
2003	5.10	09.07.02	45342	1.20	31.03.03	100	3.08
2002	4.50	19.04.01	1	0.50	25.05.01	2	1.45

BSE

Year ending 31st March	High (Rs.)	Date of High	Vol. on date Of high	Low (Rs.)	Date of low	Vol. on date of low	Avg. price for the year
2004	6.00	18.08.03	24900	1.52	06.06.03	1075	3.76
2003	4.75	10.07.02	1200	1.35	08.11.02	200	2.38
2002	3.50	31.10.01	300	2.45	14.03.02	100	2.63

Market price was Rs 3.00 (closing price) on 29.9.2003, the trading day immediately following the day on which Board Meeting was held (26.9.2003) to approve the ratio and price for Rights Shares.

Monthly high and low prices for the preceding six months and volume of transactions on the respective dates of high and low are stated below:

NSE

Month	High (Rs.)	Date of High	Vol. on date of high	Low (Rs.)	Date of low	Vol. on date of low	Total volume for the month
January'05	11.20	11.01.05	86040	7.25	25.01.05	24212	1487374
February'05	10.40	01.02.05	23077	7.10	04.02.05	24289	565594
December '04	9.85	15.12.04	482362	5.20	03.12.04	18000	2700759
November'04	7.20	29.11.04	181409	4.15	02.11.04	10250	1126503
October'04	5.40	09.10.04	26001	3.90	19.10.04	8579	207298
September04	5.50	01.09.04	44295	3.70	14.09.04	12953	390989

BSE

Month	High (Rs.)	Date of High	Vol. on date of high	Low (Rs.)	Date of low	Vol. on date of low	Total volume for the month
January’05	11.50	11.01.05	56953	7.91	24.01.05	4096	686503
February’05	9.90	10.02.05	31628	6.85	17.02.05	7390	247213
December ‘04	9.74	15.12.04	272404	5.16	03.12.04	16877	1574527
November’04	6.75	30.11.04	100627	3.60	02.11.04	17700	808060
October’04	5.40	11.10.04	13328	4.02	09.10.04	12704	158038
September04	5.60	01.09.04	32976	4.00	24.09.04	6485	253644

Week end price of equity shares of CEL on BSE:

Week ended on	Closing Price (Rs.)
25.02.2005	8.00
04.03.2005	8.30
11.03.2005	8.48
18.03.2005	7.52

Source: BSE Website

Week end price of equity shares of CEL on NSE:

Week ended	Closing Price (Rs.)
25.02.2005	8.10
04.03.2005	8.45
11.03.2005	8.40
18.03.2005	7.50

Source: NSE Website

Current market price-The Closing Market Price of the Equity Shares of the Company on 18/03/2005 at BSE was Rs.7.52 and at NSE it was Rs.7.50.

Note: The equity shares of the Company of face value Rs.10/- each were reduced to equity shares of face value of Re.1/- each as on 30.10.2003 pursuant to the Order of the BIFR dated 27.08.2003. The shareholders of the company had approved reduction of Equity share Capital vide a special resolution passed at the Extra Ordinary General Meeting held on 24.06.2003. The equity shares of the Company presently have a face value of Rs.1/- each.

XVI. PROMISE Vs. PERFORMANCE FOR THE LAST ISSUE

Promise vs. Performance for the Rights Issue made in 1992-93

	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

XVII. LITIGATIONS/DISPUTES/DEFAULTS/CRIMINAL CASES:

The promoters had taken over a sick industrial company-Sangam Aluminium Ltd. (SAL) in March 1997. SAL was also engaged in manufacture of aluminium extrusions at its manufacturing facility located at Hosur in Tamilnadu. There was severe recession in the aluminium extrusions industry subsequent to takeover of SAL by the promoters of the Company. A viable rehabilitation package could not be worked out for SAL, and the BIFR had passed an order recommending winding up of the Company. SAL is presently under winding up at the Madras High Court.

The IDBI, IFCI, ICICI, Canara Bank and Indian Bank have filed suits against SAL and also personally against Sri M. P. Jhunjhunwala and Sri Vikram Jhunjhunwala for the loans taken by SAL prior to their takeover. The total amount of money claimed in the suits filed by these Institutions and Banks is as follows:

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Cases filed by the Company:

Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
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2.	Associated Switchgears & Projects Ltd, Ghaziabad	C/2059 of 2003 Chief Metropolitan Magistrate, Kolkata	Cheque for payment of materials supplied returned unpaid	Case Pending	2,42,746
3.	Suvidha Industries	363 of 2002 City Civil Court, Calcutta	Amount not paid by the party for material supplied	Ex parte decree passed which the party has pleaded to set aside	8,40,661
4.	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)
5.	M/s Agents Aluminium Co Ltd, Chennai	2774 of 2004, 8th Metropolitan Magistrate, Chennai	Cheque bounced	Non bailable warrants issued but directors absconding	50,000
6.	Gayathri Industries, Bangalore	371 of 2004 City Civil Court, Bangalore	Amount not paid by the party for material supplied	Next hearing on 1/4/2005	2,02,903
7.	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 4/4/2005	2,75,643 + interest
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Cases filed by Multi Metal Udyog					
Sl No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Status**	**Amount (Rupees)**
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2	Joint Excise & Taxation Commissioner (A)	Sales Tax Tribunal Haryana	ST-38 was not filled in properly	Case pending	1,95,000/-

Cases filed by Jeco Exports & Finance Ltd.

Sl.No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Statu**	**Amount(Rs.)**
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Cases filed by Kutir Udyog Kendra (I) Ltd

Sl No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Status**	**Amount (Rupees)**
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2	Central Sales tax	AC of Commercial Taxes - South Circle	Appeal against Assessment Order for Financial Year 2001-2002	Date of hearing awaited	68540.04

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; Purchase tax Rs 143017, Penalty Rs 25000, Interest Rs 75992	Date of hearing awaited	244009

Cases filed by Century Aluminium Mfg. Co. Ltd.					
Sl.No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Status**	**Amount(Rs.)**
1	Shri Vardhan Modi (Proprietor of M/S Metcon Enterprises)	39/1988 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Next hearing of the suit on 5/4/2005	67671.20
2	Singhania Polyester Private Ltd.	180/1995 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Next hearing of the suit on 2/4/2005	240276.32
3	Shri P.N.Mistry (Proprietor of M/S Chanddi Products)	58/1996 of City Civil Court, Calcutta	Amount not paid by the party for material supplied	Fresh summons to be served on the opponent	773820.65
4	State Sales Tax	D. C. of Commercial Taxes, South Circle	Appeal against Assessment Order for Financial Year 1995-96	Date of hearing awaited	78,504.44
5	State Sales Tax	D. C. of Commercial Taxes, South Circle	Appeal against Assessment Order for Financial Year 1996-97	Date of hearing awaited	130,722.86
6	Dy. Commissioner of Income Tax	Commissioner (Appeal) Income Tax	Denial of deduction claimed U/S 80IB of Income Tax Act, 1961	Case pending	1,909,737.00

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Sl No.	Name of Party	Case No. & Court	Background	Current Status	Amount (Rupees)
1	Commissioner of Customs, Faridabad	375/75-76/SL/04-RA Under Secretary, Ministry of Finance	Refund of customs duty paid on material received short by 3.86 MT & 4.240 MT	Case pending	79,860/- & 1,24,691/-
2	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/-
3	Excise & Taxation Commissioner Haryana	CWP No. 18584 of 2003 High Court Chandigarh	Challenge of applicability of LADT Act	Case pending	
4	Assessing Authority	Jt. Excise & Taxation Commissioner (A)	Assessing Authority demanded tax under LADT ACT for Rs.61,04,000/- & 152,26,400/- for the years 2001-02 and 2002-03	Case remanded to assessing authority for fresh assessments	61,04,000/- & 152,26,400/-
5	Electroset Aqua Purifiers Ltd.	Distt. Consumer DR Forum Faridabad	R.O. System (Drinking water purifier) is not working properly	Case pending	45,600/-
6	United India Insurance Co. Ltd.	Distt. Consumer DR Forum Faridabad	Claim was rejected by Insurance Co. for material misplaced in transit.	Case pending	4,62,359/-
7	Gurdial Singh & Sons	Ilaka Magistrate, Faridabad	Bouncing of cheques	Case pending	3,02,002/-

Cases filed against Vintage Capital Markets Limited.

Sl. No.	Name of Party	Case No. & Court	Background	Current Status	Amount
					Rs.
1	Shatrughan Prasad Gupta	Money Suit 48/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	227,130.09
2	Moti Prasad	Money Suit 49/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	193,089.00
3	Jai Nath Thakur	Money Suit 51/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	216,494.20
4	Bhola Mishra	Money Suit 52/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	228,915.70
5	Md. Akhtar Ansari	Money Suit 47/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	230,068.80
6	Divikant Mishra	Money Suit 10/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,880.00
7	Ramanuj Yadav	Money Suit 4/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,876.00
8	Umesh Kumar Yadav	Money Suit 50/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	192,695.10

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-700 071	Case Pending	N.A.

XVIII. BASIS OF ISSUE PRICE:

The issue price of Re.1/- per share has been arrived at on the following basis:

QUALITATIVE FACTORS

1) The proposed issue is being made as per directions of the Board for Industrial and Financial Reconstruction (BIFR) to part finance the cost of Rehabilitation Scheme as per the sanctioned rehabilitation scheme.
2) The company is engaged in the business of manufacturing of aluminium extrusions for over 14 years, and is a well-established name in the industry.
3) The company has been awarded ISO 9001:2000 certification by DNV for its Quality Management Systems for manufacture of Aluminium Extruded Products.
4) The company has developed a large number of end use customers for its products across the country.
5) The Company has a network of 7 branches managing and supervising its sales to the end use customers and dealers.

QUANTITATIVE FACTORS

Adjusted Earning Per Share (EPS)	
Year	EPS
2003-04	(1.52)
2002-03	(3.90)
2001-02	(5.68)
Weighted Average	(3.70)
Price/Earning Ratio (P/E) in relation to Issue Price Based on pre issue EPS at Issue Price of Rs.1/-	-
Industry P/E	
Highest	14.2
Lowest	0.7
Average	11.8
Return on Net Worth	
Year	RONW%
2003-04	-
2002-03	-
2001-02	-
Weighted Average	-
Minimum Return on Total Net Worth after Issue needed to maintain EPS	Not Applicable as EPS was negative
Net Asset Value (NAV) Rs. (a) As at 31.12.2004	(2.76)
(b) After issue	0.04
(c) Issue price	1.00

Notes:

1. The Company has not re-valued its assets.
2. The company had been following the practice of capitalising 'Dies and Tools' and depreciating the value of 'Dies and Tools' in equal installments over a period of 10 years. In case of the Dies or Tools getting broken, or getting out of tolerance in any year, 100% of residual value was written off in that year.
   The system of valuation of 'Dies and Tools' was changed w.e.f. 1st April 2002 whereby the expenditure incurred on different heads for manufacture of dies and

tools are directly charged to profit and loss account instead of first being capitalised and then gradually depreciated.

Since the accounting policy was changed from the year 2002-2003, for the purpose of preparation of the financial statement as per SEBI (Disclosure and Investor protection) guidelines, 2000, the accounts have been re-stated applying the current accounting policy of charging expenses for manufacture of dies and tools directly to the profit and loss account uniformly for the previous five financial years and for the nine-months period ended 31st December, 2004. As such, the results as per this financial statement are at variance from the audited financial results. In preparing data for the quantitative factors, the re-stated accounts as per current accounting policy has been considered.

3. Considering the past financial performance, the details of which is stated elsewhere in the prospectus, in our opinion the issue price of Rs.1/- per share at par appears to be reasonable & justified.
4. There are no material developments other than those already stated herein that may materially affect the performance of the Company.
5. There are no material developments subsequent to the last balance sheet date, other than those already stated herein that may materially affect the performance of the Company.
6. There has been no adverse event affecting the operations of the company during, or occurring within one year prior to the date of filing of the Letter of Offer with SEBI other than those already stated therein.

Comparison of the accounting ratios of the issuer company as mentioned above with the industry average and with the accounting ratio of the peer group (i.e. company of the comparable size in the same industry for the year ending 31st March 2004 as follows:

Particulars	Company	Peer Group*			Industry
	Century Extrusions Ltd.	Bhoruka Aluminium Ltd	Sudal Indusries Ltd.	Pennar Profiles Ltd.	Aluminium and aluminium products
Face value per share (Rs.)	1/-	10/-	10/-	10/-	
E P S (Rs.)	(1.52)	0.69	(0.84)	(9.63)	
P E Ratio	(6.09)	20.28	-	-	
Return on net worth (%)	-	13.74	-	-	
Share Price as on 11/02/2005	9.26	14.00	8.27	11.41	

* Source: www.karvy.com
The data of Pennar profiles Ltd relates to year ended 31.12.2003.

WORKING RESULTS
Information relating to the company sales, gross profit etc., as required by the Ministry of Finance Circular No.F2/5/SE/76 dated February 5, 1977 read with the amendments of even No. dated March 8, 1977 is as under:

The audited working results of the company for the period from 01/04/2004 to 31/12/2004 are given hereunder:

(Rs. in lacs)

Particulars	**Amount**
Net Sales	5242.00
Increase in Inventories	153.30
Other Income	4.02

Total Income	5399.32
Total Expenditure	5172.02
Interest	85.49
Gross profit after interest but before depreciation	141.81
Depreciation	79.61
Provision for taxation	-
Net Profit	61.04
Paid-up Equity Share Capital	120.00

There are no material changes that are effecting the financial position of the company.

XIX. RISK FACTORS AND PROPOSALS TO ADDRESS THEM

The investors should consider the following risk factors together with all other information included in this Letter of Offer carefully, in evaluating the Company and its business before making any investment decision. Any projections, forecasts and estimates contained herein are forward looking statements that involve risks and uncertainties. Such statements use forward looking terminology like "may" 'believes", "will", "expect", "anticipate", "estimate", "plan" or other similar words. The Company's actual results could differ from those anticipated in these forward- looking statements as a result of certain factors including those, which are set forth in the "Risk Factors" below.

The Letter of Offer also includes statistical data regarding the aluminium extrusions industry. This data has been obtained from various reports and other sources that the Company and the Lead Manager believe to be reliable. Neither the Company nor the Lead Manager has independently verified such data.

A. INTERNAL TO THE COMPANY

1. **Risk Envisaged by the Management**
   The Company has accumulated losses of Rs.450.77 Lacs as on December 31, 2004. Due to the losses suffered by the company since the year 1997-98, the entire net worth of the company stood eroded as on 31.03.2001 and the company became a sick industrial undertaking as on that date. The Board for Industrial and Financial Reconstruction (BIFR), at its hearing held on 30th December, 2001, declared the 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.

   Proposals to address the risk
   As per the Rehabilitation Scheme approved by BIFR vide order dated 27th August 2003, the Company has done a One Time Settlement (OTS) of its Term Loan and Working Capital dues with its Banks. The Company has already paid full OTS dues to its Banks, and the Banks have extended fresh non-fund based limits to the Company towards its Working Capital requirement. As a result of the OTS, the interest cost of the Company has reduced significantly. There has also been an improvement in the market scenario and the Company has been able to increase its price realization as well as capacity utilization significantly over last two years. As a result of these factors, the Company has earned a net profit of Rs.61.04 lacs for the nine months period ended 31st December 2004.

2. **Risk Envisaged by the Management**
   Contingent liabilities not provided for as on the period ended 31.12.2004 as per the audited accounts are as follows:
   a. Bank Guarantees outstanding Rs.41.40 lacs and Letter of Credit issued by Banks on behalf of the Company Rs 120.00 lacs against which Rs.24.25 lacs have been deposited with the Banks as Margin Money.

   b. The Company has received Sales Tax demand of Rs.0.36 lacs, Rs.0.17 lacs, Rs.5.91 lacs, Rs.10.05 lacs, Rs.3.93 lacs and Rs 2.89 lacs respectively for the years 1995-1996, 1996-1997, 1997-1998, 1999-2000, 2000-2001 and 2001-2002 against which the Company has made 'Appeals' before the higher authorities.

   c. Bills discounted with banks Rs.68.65 lacs.

   d. The Company had made a one time settlement of its entire outstanding of Term Loan and Working Capital dues to its banks viz. State Bank of India and Allahabad Bank whereby the banks had waived a part of the outstanding amount. One of the conditions of waiver by Banks was a 'Right of Recompense' of Rs.2.43 crores to State Bank of India and Rs. 1.69 crores to Allahabad Bank against the waiver, in case of higher than projected profitability in future.

e. The Employees State Insurance Corporation (ESI) has raised a demand of Rs.2.76 lacs plus interest of Rs.104.41 per day w.e.f. 1.1.2004 for the period 1999-2000 to 2000-2001. The company has preferred an appeal against the demand at the Employees Insurance Court, West Bengal. The honourable court has stayed the demand till final disposal of Company's appeal.

Proposals to address the risk
As and when the company would earn good profits, the management would approach the banks for settlement of the 'Right of recompense'. The management expects to settle the 'Right' at a fraction of the total amount, which should not have any material adverse impact on the profitability of the company.

The other 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.

3. **Risk Envisaged by the Management**
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)		
	2003-04	2002-03	2001-02
Century N F Castings Limited	(1.14)	0.22	-
Paramsukh Properties Pvt. Limited	2.53	0.59	(1.85)
Dhruv Metals Pvt. Limited	(0.04)	(0.18)	(0.09)
Vintage Capital Markets Limited	46.56	(24.29)	(1.54)

Proposals to address the risk
The performance of these companies will not affect the operations of CEL.

4. **Risk Envisaged by the Management**
The funds being raised through this Issue are not earmarked for any specific project undertaken by the Company.

Proposals to address the risk
A comprehensive rehabilitation scheme has been approved by the BIFR under section 17(2) of the Sick Industrial Companies (Special Provisions) Act 1985 vide its order dated 27th August, 2003. The Rights Issue is accordingly being made to raise the Equity Share Capital by an amount of Rs.3.50 Crores as envisaged in the Rehabilitation Scheme.

5. **Risk Envisaged by the Management**
Outstanding Litigations involving the Promoters, the Company and Promoter group companies
The promoters had taken over a sick industrial company-Sangam Aluminium Ltd. (SAL) in March 1997. SAL was also engaged in manufacture of aluminium extrusions at its manufacturing facility located at Hosur in Tamilnadu. There was severe recession in the aluminium extrusions industry subsequent to takeover of SAL by the promoters of the Company. A viable rehabilitation package could not be worked out for SAL, and the BIFR had passed an order recommending winding up of the Company. SAL is presently under winding up at the Madras High Court.

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4	Assessing Authority	Jt. Excise & Taxation Commissioner (A)	Assessing Authority demanded tax under LADT ACT for Rs.61,04,000/- & 152,26,400/- for the years 2001-02 and 2002-03	Case remanded to assessing authority for fresh assessments	61,04,000/- & 152,26,400/-
5	Electroset Aqua Purifiers Ltd.	Distt. Consumer DR Forum Faridabad	R.O. System (Drinking water purifier) is not working properly	Case pending	45,600/-
6	United India Insurance Co. Ltd.	Distt. Consumer DR Forum Faridabad	Claim was rejected by Insurance Co. for material misplaced in transit.	Case pending	4,62,359/-
7	Gurdial Singh & Sons	Ilaka Magistrate, Faridabad	Bouncing of cheques	Case pending	3,02,002/-

Cases filed against Vintage Capital Markets Limited.

Sl. No.	**Name of Party**	**Case No. & Court**	**Background**	**Current Status**	**Amount**
					Rs.
1	Shatrughan Prasad Gupta	Money Suit 48/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	227,130.09
2	Moti Prasad	Money Suit 49/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	193,089.00
3	Jai Nath Thakur	Money Suit 51/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	216,494.20
4	Bhola Mishra	Money Suit 52/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	228,915.70
5	Md. Akhtar Ansari	Money Suit 47/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	230,068.80
6	Divikant Mishra	Money Suit 10/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,880.00
7	Ramanuj Yadav	Money Suit 4/2003, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	188,876.00
8	Umesh Kumar Yadav	Money Suit 50/2002, Civil Court Begusarai	Sale of IOC Shares by M/s M.L. Sureka	Case Pending	192,695.10

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-700 071	Case Pending	N.A.

6. **Risk Envisaged by the Management**
The shares of the company have been suspended for trading on CSE.

Proposals to address the risk
The equity shares of the company are listed at NSE & BSE. These stock exchanges provide screen based trading which is widely accessible from different locations of India.

7. **Risk Envisaged by the Management**
The Company had incurred losses from F.Y. 1997-98 to 2002-03. The Company had negative networth of Rs.2717 lacs as on 31.03.2003.

Proposals to address the risk
As a part of the rehabilitation package approved by BIFR, out of the accumulated loss of Rs.2717 lacs on 31/03/2003, 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 the 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. Further, the Company entered into a one-time settlement of dues with its Bankers. As a result of these measures and subsequent improvement in the operations of the Company, the accumulated loss has substantially reduced to Rs.450.77 lacs as on 31/12/2004.

8. **Risk Envisaged by the Management**
The Company has unsecured loan of Rs.529.5 lacs which is repayable on call.

B. EXTERNAL TO THE COMPANY

1. Risk Envisaged by the Management

Competition in the Industry
The Company operates in a competitive scenario comprising a large number of Indian players. Further, the Company faces competition from the unorganized sector.

Proposals to address the risk
The company aims to keep abreast with the dynamic business scenario and has broad based its product mix to be competitive in the market. The company has stepped up its sale to end use customers where the sales realizations are better as well as more stable.

2. Risk Envisaged by the Management

Risk of political instability
The performance of the Company may be affected by a number of factors beyond its control including political and economic developments both in India and worldwide. In addition, these conditions may have an adverse impact on the financial markets in India and may cause the market price of company's equity shares on stock exchange to decline.

Proposals to address the risk
Although the above risk factor is generic in nature, the management is aware of the risk and would address the same through appropriate risk management strategies.

3. Risk Envisaged by the Management

Risk of Regulatory Uncertainty
Major policy changes relating to Import-Export / Customs duty and change in relevant taxes, legal and administrative regime, accounting practices & government policies may have an impact on Company's financial performance.

Proposals to address the risk
The company does not foresee any adverse changes in Government Policies or regulations, which may affect the growth and profitability of the industry in general.

PART II

A) STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

If the Company does not receive minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of the issue on account of cheques having being returned unpaid or withdrawal of applications, the company will forthwith refund the entire subscription amount received within forty-two days from the Date of Closure of the Issue. If there is delay in the refund of subscription by more than 8 days after the Company becomes liable to pay the subscription amount (i.e. forty two days after Closure of the Issue), the Company will pay interest for the delayed period, at the rates prescribed under sub-sections (2) and (2A) of Section 73 of the Companies Act, 1956.

UNDERWRITING

Since the Issue is not being underwritten, no underwriting commission is payable.

EXPERT OPINION

Save as otherwise stated in this Letter of Offer, the company has not obtained any expert opinion.

OPTION TO SUBSCRIBE IN DEMATERIALISED FORM

The Investors have an option to subscribe to the shares of the Company either in the physical form or dematerialised form Applicants must indicate in the application form the number of shares they wish to receive in dematerialised and physical form out of the total number of shares applied for. In case of partial allotment, shares will be first allotted in dematerialised form and the balance Equity Shares; in excess of the applicant's request for Equity Shares in dematerialised form will be allotted in physical form. Shareholders opting to receive Equity shares in physical mode will be issued a consolidated Equity Share certificate for all the Equity Shares allotted to them in this Offer. (Refer the "Terms of Issue" for details)

ISSUE OF SHARES OTHERWISE THAN FOR CASH

The Company has not issued any Shares for consideration other than Cash.

DETAILS OF PREVIOUS ISSUE

The Company has not made any public/rights issue in the past five years, other than those disclosed under notes to capital structure.

PAYMENT OR BENEFIT TO THE DIRECTORS AND OFFICERS OF THE COMPANY

Save as stated elsewhere in the Letter of Offer no amount or benefit has been paid or given or is intended to be paid or given to any Director or Officer of the Company except their normal remuneration and/or reimbursement for the services rendered to the Company to which they are entitled or may become entitled to under the articles of the Company, provisions of the Companies Act or otherwise in accordance with the Law.

B) MATERIAL CONTRACTS & DOCUMENTS FOR INSPECTION

The Contracts referred to in para (A) below (not being contracts entered into in the ordinary course of the business carried on by the Company or entered into more than two years before the date of this Letter of Offer) which are or may be deemed material, have been entered into by the Company.

The contracts together with the documents referred to in paragraph (B) below, copies of all of which have been attached to the copy of this Letter of Offer which has been delivered to CSE may be inspected at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day from the date of this Letter of Offer until the closing of the subscription list.

a) Material Documents

1. Copy of MOU dated 07/03/2005 between Century Extrusions Limited and Ashika Capital Limited, Manager to the rights issue.
2. Copy of MOU dated 18/03/2005 between Century Extrusions Limited and MCS Ltd., Registrar to the rights issue.
3. Copy of tripartite agreement dated 10.04.2000 between Century Extrusions Limited, National Securities Depository Ltd. (NSDL) and MCS Ltd. (Registrar and Transfer Agent) for dematerialisation of the equity shares of the company.
4. Copy of tripartite agreement dated 05.07.2000 between Century Extrusions Limited, Central Depository Services Limited (CDSL) and MCS Ltd. for dematerialisation of the equity shares of the Company.

b) Documents for Inspection

1. Memorandum and Articles of Association of CEL.
2. Copy of resolution passed by the Board of Directors at their meeting dated 26.9.2003 authorizing the issue of equity shares on a Right basis and convening the AGM on 31.10.2003.
3. Copies of Annual Report of the company for the years 1999-2000, 2000-01, 2001-02, 2002-03 & 2003-04.
4. Copy of un-audited results of the company for the period ended 30/06/2004 & 30/09/2004, and audited results for the period ended on 31/12/2004.
5. Copy of Memorandum and Articles of Association of Century Aluminium Manufacturing Co Ltd.
6. Copies of Balance Sheet of Century Aluminium Manufacturing Co Ltd. for the year 2001-02, 2002-03 & 2003-04.
7. Copy of Memorandum and Articles of Association of Paramsukh Properties (P) Ltd.
8. Copies of Balance Sheet of Paramsukh Properties (P) Ltd. for the year 2001-02, 2002-03 & 2003-04.
9. Copy of Memorandum and Articles of Association of Ensa Properties & Finance Pvt. Ltd.
10. Copies of Balance Sheet of Ensa Properties & Finance Pvt. Ltd. for the year 2001-02, 2002-03 & 2003-04.
11. Copy of Memorandum and Articles of Association of Vintage Capital Markets Limited.
12. Copies of Balance Sheet of Vintage Capital Markets Limited for the year 2001-02, 2002-03 & 2003-04.
13. Copy of Memorandum and Articles of Association of Kutir Udyog Kendra (India) Ltd.
14. Copies of Balance Sheet of Kutir Udyog Kendra (India) Ltd for the year 2001-02, 2002-03 & 2003-04.
15. Copy of Memorandum and Articles of Association of Dhruv Metals Pvt. Ltd.
16. Copies of Balance Sheet of Century Equities Pvt. Ltd. for the year 2001-02, 2002-03 & 2003-04.
17. Copy of Memorandum and Articles of Association of Jeco Exports & Finance Ltd.
18. Copies of Balance Sheet of Jeco Exports & Finance Ltd. for the year 2001-02, 2002-03 & 2003-04.
19. Copy of certificate dated 23/02/2005 issued by Khetawat & Associates, Chartered Accountant & Statutory Auditors of the Company in terms of part II schedule II of the Companies Act , 1956 including capitalization statement , taxation statement and accounting ratios.
20. Copy of letter dated 23/02/2005 received from Khetawat & Associates, Chartered Accountant & Statutory Auditors of the Company regarding tax benefits accruing to the company and shareholders.
21. Copies of undertakings and consents.
22. Copy of in-principle approval received from BSE and NSE vide their letter no. …………………., and ………………….. dated …………, and ………..respectively for listing of the shares being issued in terms of this Letter of Offer.
23. Copy of letter no. ………………………… dated ……………… received from SEBI regarding observations on the draft Letter of Offer issued in terms of RMB(DIP Series) Cir. No. 1(95-96) Dated 23/05/1995.

PART III

DECLARATION

NO STATEMENT MADE IN THIS LETTER OF OFFER SHALL CONTRAVENE ANY OF THE PROVISIONS OF THE COMPANIES ACT 1956 AND THE RULES MADE THEREUNDER. ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC, ISSUED BY SEBI, GOVERNMENT OR ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH.

ALL THE DISCLOSURES MADE IN THIS LETTER OF OFFER ARE TRUE & CORRECT.

Yours faithfully,

Sd/-
M. P. Jhunjhunwala (Chairman & Managing Director)

Sd/-
Vikram Jhunjhunwala (Director)

Sd/-
R. K. Datta (Director)

Sd/-
R. N. Das (Director)

Sd/-
P. K. Sengupta (Director)

Sd/-
G. S. Agarwala (Director)

Sd/-
Sumit Modi (Compliance Officer)

Place: Kolkata
Dated: 23/03/2005