

Century Textiles and Industries Limited

115th Annual Report & Accounts
2011-2012

The background of the cover features a series of overlapping, wavy bands in various shades of green and yellow. Interspersed among these bands are several dotted lines and solid arrows, all pointing in different directions, creating a sense of movement and flow. The overall color palette is warm and vibrant, with a gradient from light yellow at the top to deeper greens at the bottom.

CHAIRMAN'S STATEMENT

Dear Shareholders,

The Indian economy in tandem with that of many countries of the globe entered a lower phase of growth mirroring the world wide financial turmoil and slow down witnessed in the recent past, though mercifully, India escaped many of the worst scenarios. India's return to the former trajectory has been interrupted due, among other reasons, to the sovereign debt crisis in the Euro Zone, political turmoil in the middle east, and a policy reform deadlock at home. Further, the economy has had to battle with nearly double digit inflation for almost two years. Monetary and fiscal policies were geared towards taming domestic inflation which adversely impacted investments and consumption growth. However, recently inflation has moderated somewhat and it is hoped that it will remain under reasonable control. Although RBI has recently taken some steps to reduce the interest rates but the need to further reduce the same would be felt by the industry. Further reduction could make credit more readily available and cheaper. Agriculture continues to perform well and the Indian manufacturing sector remains robust. The expectations of growth of the Indian economy have to be more modest than in the years immediately before 2008 but much

depends on various extraneous factors, such as the price of crude oil and the adequacy of monsoon. Fiscal prudence at home and a supportive and stable business environment, aided by legislation as the Goods and Services Tax Act would be of great help in boosting growth.



Due to difficult circumstances prevailing particularly in industries in which our Company operates, in terms of reduced demand, higher costs of many major inputs including cost of raw materials, fuel and transport and temporary shutdown of the pulp and paper mill at Lalkua, the performance of our Company has not been satisfactory. As the demand for cement and paper which are two major contributors to the revenue of the Company is expected to remain firm due to Government's continuous thrust on infrastructure and education, the performance of our Company in the current year and the near term is expected to reflect this inherent strength of the product portfolio.

I would like to extend my gratitude to all our stakeholders including shareholders, customers, lenders and our loyal, hardworking and committed employees for their continued support and faith in the Company.

B. K. Birla
Chairman

BOARD OF DIRECTORS

(As on 02/05/2012)

Shri B. K. Birla, Chairman
Shri Kumar Mangalam Birla
Shri Pradip Kumar Daga
Shri Arvind C. Dalal
Shri Amal Ganguli
Shri B. L. Jain, (Whole-time Director)

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Company's Grievance Redressal Division's e-mail id for investors:
investorrelations@centurytext.com

TEAM OF EXECUTIVES

AS ON 02/05/2012

Textiles

Century Textiles

Birla Century, Century Yarn and Denim

Shri R.K. Dalmia	Senior President
Shri D.K. Agrawal	President (Corporate Finance) & Secretary
Shri U.C. Garg	Executive President (Purchase & Projects)
Shri R.C. Panwar	Joint President (Marketing)
Shri Sanjay Khimesra	Joint President (Birla Century)

Rayon

Century Rayon, Tyrecord and Chemicals

Shri O.R. Chitlange	Senior President
Shri R. Lalwani	President (Commercial)
Shri S.M. Sanklecha	Joint President (Purchase)
Shri S.K. Mital	Joint President (Engineering, Auxiliary & Instrument)
Shri Subodh Dave	Senior Vice President (Personnel & Administration)
Shri Apurva Gupta	Senior Vice President (Rayon)
Shri V.K. Jhingon	Senior Vice President (Tyrecord, CSY & TQM)
Shri Sudhir Luthra	Senior Vice President (Chemicals & Safety)
Shri B. Manmohan	Vice President (Finance)
Shri Arun Jhawar	Vice President (Marketing)

Cement

Century, Maihar, Manikgarh and Sonar Bangla Cements

Shri B.L. Jain	Senior President
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Century Cement & Sonar Bangla Cement

Shri Alok Patni	President (Works)
Shri Vijay Kumar	Joint President (Plant)
Shri M.K. Jain	Senior Vice President (Purchase)
Shri A.K. Panja	Senior Vice President (Commercial)
Shri Satish Gurtoo	Senior Vice President (Electrical & Instrumentation)
Shri Arun Gaur	Senior Vice President (Finance)
Shri C.S. Vithalkar	Vice President (Mechanical)
Shri A.K. Biswas	Vice President (Project)
Shri A.K. Bajpai	Vice President (Marketing)
Shri B.P. Mishra	Vice President (Mines)

Maihar Cement Units I & II Unit I

Shri R.K. Vaishnavi	President (Works)
Shri P. M. Intodia	Executive President (Marketing)
Shri Nand Kumar E.	Joint President (Electrical, Instrumentation & Development)
Shri Arvind Kumar Jain	Joint President (Mechanical)
Shri Manoj Gupta	Senior Vice President (Finance)
Shri Ajai Kumar Jain	Vice President (Production)
Shri R. Deshpande	Vice President (Purchase)

Unit II

Shri R.S. Doshi	Executive President (Commercial)
Shri S.K. Tewari	Joint President (Mines & Projects)
Shri Ashok Maheshwari	Joint President (Marketing)
Shri P.K. Agarwal	Senior Vice President (Purchase)
Shri A.S. Thakur	Vice President (Systems & Materials)
Shri J.P. Pandey	Vice President (Mechanical)
Shri S.K. Singh	Vice President (Personnel)

Manikgarh Cement Units I & II Unit I

Shri P.S. Bakshi	President (Works)
Shri S.K. Mandelia	Executive President (Commercial)
Shri A.D. Karwa	Executive President (Finance & Marketing)
Shri R.K. Udge	Senior Vice President (Mines)
Shri M.P. Joshi	Senior Vice President (Electrical & Instrumentation)
Shri A.K. Jain	Senior Vice President (Mechanical)
Shri Kiran Sharma	Vice President (Generation)
Shri Deepak Jaisinghani	Vice President (Mechanical)

Unit II

Shri J.L. Tiwari	Senior Executive President (Plant)
Shri O.P. Moondra	Senior Vice President (Electrical & Instrumentation)
Shri N.D. Hemke	Senior Vice President (Mechanical)
Shri E.V. Ravikumar	Vice President (Finance)
Shri V.K. Sharma	Vice President (Mechanical)
Shri P.K. Bajaj	Vice President (Commercial)

Paper

Century Pulp and Paper

Shri Ashwani Kumar Sharma	CEO & Senior President
Shri Manjit Singh	Plant Head
Shri A.K. Bhatia	Joint President (Commercial)
Shri Pawan Mehra	Chief Sourcing Officer
Shri Rakesh Nangia	Chief Marketing Officer
Shri Hirender Goyal	Head of Engineering
Shri Jagdeep Hira	Head of Process
Shri R.K. Sharma	Vice President (Energy)
Shri S.L. Sharma	Vice President (Commercial)
Shri S.K. Agarwal	Vice President (RGP & ENV)

Salt

Cenray Minerals and Chemicals

Shri M.M. Sand	Vice President (Salt Works)
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Auditors

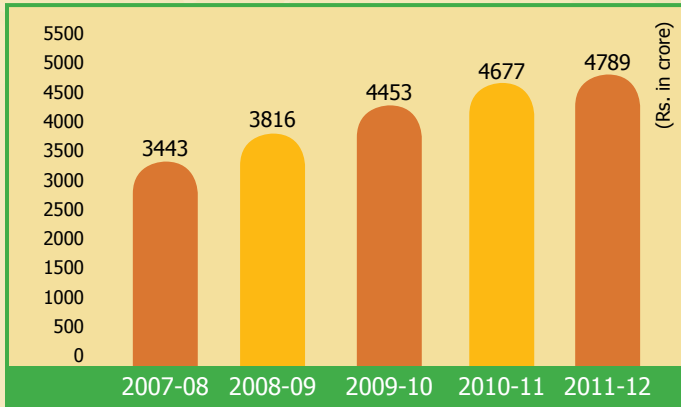
Dalal & Shah, Mumbai

Registered Office

Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai - 400 030

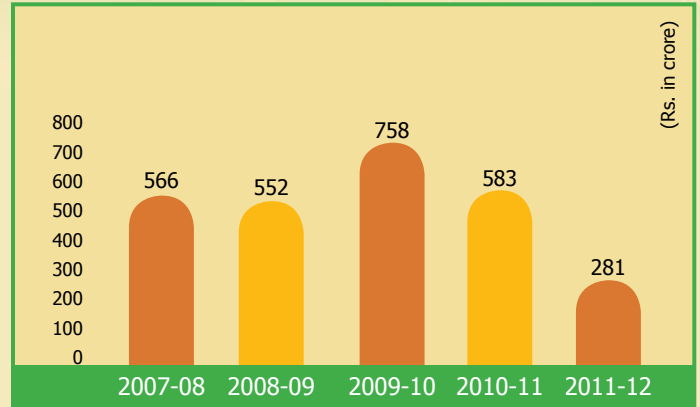
PERFORMANCE HIGHLIGHTS

Net Sales*

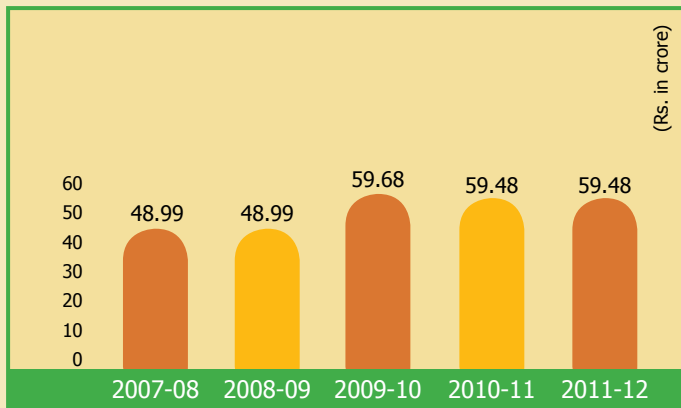


*Net Sales are net of excise duty

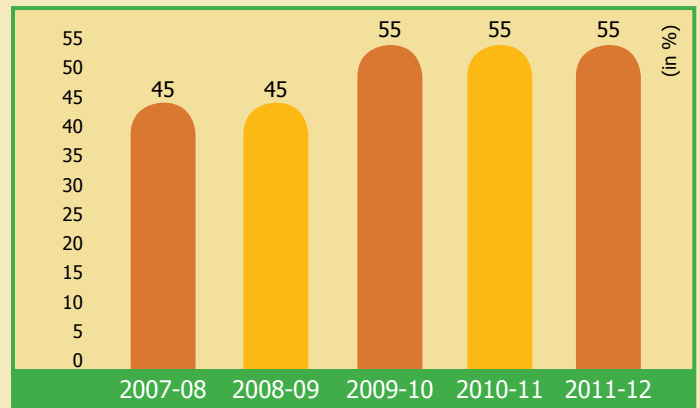
Gross Profit



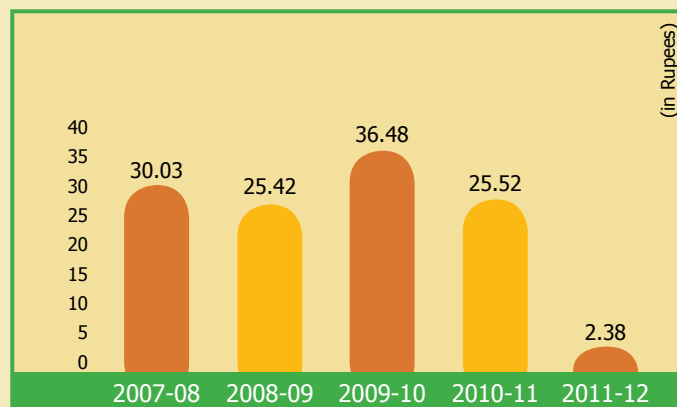
Amount of Dividend (including tax on it)



Rate of Dividend



Earning Per Share**



** Earning per share is including exceptional items

FABRICS AND APPAREL

BIRLA CENTURY **LAUNCHING SOON DIGITAL PRINT COLLECTION OF BED SHEETS**

Birla Century is set to launch during August 2012, entire bed and bath category range such as bed sheets, towels, top of the bed products etc. This range will cater to both economy and premium market segments.

The premium product range consist of attractive packaging with the products made out of super fine counts in 100% superior cottons, new age fibers and the digital print collection in multi color prints and vibrant motifs.

The made ups are crafted to meet up the international stitching standards and the size.



CENTURY DENIM **ADAPTING LATEST TECHNOLOGIES**



In our pursuit to adapting latest technologies Century Denim has installed Oerlikon Schlafhorst Open-end machine Autocoro 8, which is considered to be latest revolution in open-end Spinning System.

It is user friendly machine requiring very low maintenance and having very high productivity. Its quick start ensures minimum production loss and Corolab QX clearing system ensures fault free final yarn.

It is capable of producing upto five lots at a time so lot change losses are minimized. Equipped with Corobox 20, single motor driven rotors, magnetic axial and radial bearings, single motor driven opening rolls, single motor driven & digitally controlled sliver intake, it is capable of working at rotor speed of 20,000 rpm to 1,60,000 rpm for high production rate.

This is one of the first machine installed in Century Denim equipped with fancy yarn spinning system for creative designing and production of various varieties of fancy yarns for present days fashion requirements with cost effectiveness.

Pot spun rayon yarn plant capacity was enhanced by adding seven spinning machines to meet the continuously rising market demand for finer denier. These machines were completely indigenously developed by in-house engineering.

Similarly, five machines were added to continuous spun yarn plant. The machines bought from China were commissioned in February, 2012. Caustic soda production was also increased by installing latest generation membrane cell electrolyser imported from Udhenora, Italy. The plant now produces sixty tonnes of caustic soda per day.

Energy conservation has always been in top agenda for Century Rayon. Establishing its own benchmark and then improving it has been the style for energy conservation. Maintaining the high standards, the division once again won state level award for excellence in energy management.



**7th state level award
for excellence in energy
conservation and Management**



**CAPACITY ADDITION TO PSY PLANT
(INDIGENOUSLY DEVELOPED MACHINES)**



**CAPACITY ADDITION TO CSY PLANT
(MACHINES IMPORTED FROM CHINA)**



BIRD'S EYEVUE OF SONAR BANGLA CEMENT, 1.5 MILLION TPA CEMENT GRINDING UNIT (UNDER CONSTRUCTION), AT SAGARDIGHI, DIST. MURSHIDABAD, WEST BENGAL

Century Textiles And Industries Ltd. has embarked upon augmenting cement manufacturing capacity from 8.5 million tonnes per annum to 12.8 million tonnes per annum. The Company is in the process of establishing a split location cement grinding unit of 1.5 million tonnes per annum capacity at Sagardighi, Dist. Murshidabad in the state of West Bengal and has undertaken establishment of a cement plant of 2.8 million tonnes per annum capacity in the premises adjacent to Manikgarh Cement, at Gadchandur, Dist. Chandrapur in the state of Maharashtra.

Both the plants are unique examples of the state-of-the-art plant & machinery by its exceptional design. Power efficient central drive cement mills both in Manikgarh and Sagardighi and at Manikgarh Cement sky-rise pre-heater tower without gas conditioning tower, single vertical roller mill for raw meal and fine coal and longest pipe conveyor in the country for pollution-free transportation of lime stone are being installed besides setting up a 40 MW captive thermal power plant for self sustaining the production.

In line with Company's policy to provide a clean environment, high efficiency pollution control equipments are being installed to maintain emission

level less than 25 mg/nm³ all around the plant. Company plans to produce 100% Portland pozzolana cement by using fly ash, a waste product of thermal power plant to control green house gas emission & global warming.

Cement grinding unit at Sagardighi is expected to be operational by March, 2013 and Manikgarh Cement Unit-II in September, 2013.

Company is manufacturing and marketing its cement under premium brand "Birla Gold".



NATIONAL AWARD TO MANIKGARH CEMENT FOR ELECTRICAL ENERGY EFFICIENCY IN INDIAN CEMENT INDUSTRY 2010-11

We are one of the largest paper producers in the country and with the commissioning of the packaging board machine, we have become only paper company to offer writing and printing grades, copier, speciality grades, tissue and packaging boards manufactured from varied mix of the raw materials at a single location. This variability of raw material and a mix of the various paper and board offers us to be an agile supplier of paper related solutions to the customers, creating additional value for ourselves in the process. During the coming year, we plan to launch products in various segments which are aimed to be the market leaders in terms of quality and innovation. Century speciality tissue has now been well established in the International market.

We are known for our ability to provide customer delight through a culture that encompasses creation of value and wealth through promotion of quality, environmental and safety concerns. Excellence at Century continues to be all pervasive. Our goal to reach the top in the world of paper and paper board industry will soon become a reality.



NOTICE OF MEETING

REGISTERED OFFICE :

CENTURY BHAVAN, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 030

NOTICE is hereby given that the 115th Annual General Meeting of the Shareholders of the Company will be held at Ravindra Natya Mandir, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Thursday, the 2nd August, 2012 at 3.30 p.m. to transact with or without modifications as may be permissible, the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors of the Company.
2. To declare dividend on Equity Shares for the year ended 31st March, 2012.
3. To appoint a Director in place of Shri Kumar Mangalam Birla who retires from office by rotation, but being eligible, offers himself for re-election.
4. To appoint a Director in place of Shri Pradip Kumar Daga who retires from office by rotation, but being eligible, offers himself for re-election.
5. To appoint Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
6. To consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution: "RESOLVED THAT subject to such approvals as may be necessary, and pursuant to the provisions of Schedule XIII to the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and any guidelines / circulars / notifications in connection with managerial remuneration issued by the Central Government from time to time, and further in view of the approval by a resolution of the Remuneration Committee of the Company, the Company hereby approves, ratifies and confirms the remuneration of Rs.1,94,16,421/- including the perquisites and other amenities paid to Shri B.L. Jain, Whole-time Director of the Company excluding gratuity as per rules as remuneration for the financial year ended 31st March, 2012 in terms of the resolution passed by the shareholders in the 112th Annual General Meeting of the Company held on 28th July, 2009 and further RESOLVED that in case of loss/inadequate profits during the term of reappointment of Shri B.L. Jain as a Whole-time Director of the Company for two years w.e.f. 1st April, 2012 as approved by the shareholders at the 114th Annual General Meeting of the Company held on 13th August, 2011, consent of the Company be and is hereby accorded for the payment of remuneration to Shri B.L. Jain for the period covered by the aforesaid resolution provided the remuneration is within the limits stipulated in the said resolution.

RESOLVED FURTHER THAT the Board of Directors (which includes Remuneration Committee constituted by the Board of Directors) be and is hereby authorized to do all such acts, deeds and things as may be deemed expedient to give effect to the above resolution."

NOTES FOR MEMBERS' ATTENTION

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- (b) Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956, in respect of item no. 6 of the Notice set out above, is hereto annexed.
- (c) The Registers of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from Wednesday, the 18th July, 2012 to Thursday, the 2nd August, 2012 both days inclusive.
- (d) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/unpaid dividends upto the financial year ended 31st March, 1995 have been transferred to the General Revenue Account of the Central Government. Those shareholders who have so far not claimed or collected their dividend for the said period may claim their dividend directly from the Registrar of Companies, Maharashtra, by submitting an application in the prescribed form.
- (e) Members are hereby informed that dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to the Investor Education & Protection Fund constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956.

The following are the details of dividends paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remain unpaid.

Date of declaration of dividend	Dividend for the year	Due date of transfer to the Government
26 th July, 2005	2004-2005	24 th August, 2012
12 th July, 2006	2005-2006	10 th August, 2013
14 th March, 2007*	2006-2007	12 th April, 2014
23 rd July, 2008	2007-2008	21 st August, 2015
28 th July, 2009	2008-2009	26 th August, 2016
27 th July, 2010	2009-2010	25 th August, 2017
13 th August, 2011	2010-2011	11 th September, 2018

*(Interim treated as final)