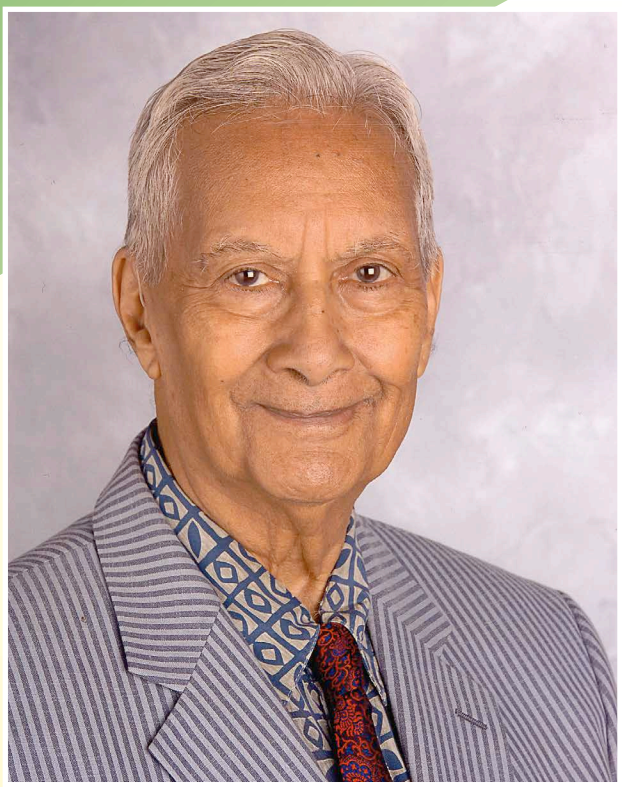
117th Annual Report & Accounts 2013-2014

CENTURY TEXTILES AND INDUSTRIES LIMITED

PDF processed with CutePDF evaluation edition www.CutePDF.com

CHAIRMAN'S STATEMENT



Dear Shareholders,

In the recent past, the most decisive factor impacting the fortunes of every developing economy has been the state of the world economy. Global economic growth has been declining for the last few years and it was three percent in 2013. The challenges being faced by our Country are common to all emerging economies. Though, lately, there has been some comfort on account of fiscal and current account deficits being somewhat contained, high inflation continues to be a matter of concern leading to a tight monetary policy and there is no sign of a reduction in interest rates in the near future. Unless the borrowing cost is reduced there may not be a revival of investments in industry. Strengthening of the rupee against the US Dollar will adversely impact the realisation from exports and consequently affect the balance of payments of the country. The future economic policies will depend on the new Government at the Centre.

Due to high interest costs and ever increasing input costs in all the segments in which the Company operates and the depressed market in cement which forms the major part of the Company's business, the performance of the Company has not been upto a desired level. With the expected revival in the global economy and the hope of the business environment improving in the country after the General elections, the outlook for the Company is expected to remain stable.

I would like to extend my gratitude to all our stakeholders including the staff members and customers for their unstinted support in shaping the performance of the Company.

B. K. Birla
Chairman

BOARD OF DIRECTORS

(As on 05/05/2014)

Shri B. K. Birla, Chairman
Smt. Saraladevi Birla
Shri Kumar Mangalam Birla
Shri Pradip Kumar Daga
Shri Amal Ganguli
Shri Y. P. Dandiwala
Shri Rajan A. Dalal
Shri B. L. Jain, (Whole-time Director)

CONTENTS

Board of Directors 01
Team of Executives 02
Performance Highlights 03
Fabrics and Apparel 04
Rayon 05
Cement 06
Paper 08
Directors' Report 09
Conservation of Energy 14
Form 'A' 18
Management Discussion and Analysis Report 21
Corporate Governance Report 27
Independent Auditors' Report 39
Balance Sheet 44
Statement of Profit and Loss 45
Cash Flow Statement 46
Notes '1' to '47' 48
Operating Results for Five years 79
Statement of Assets and Liabilities for Four years 80

Notice for Annual General Meeting is being sent separately through Speed post / Registered post as required under the Companies Act, 2013 & Rules made thereunder.

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

TEAM OF EXECUTIVES

AS ON 05/05/2014

TEXTILES

Century Textiles, H.O., 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 (Works)
Shri Pradeep Kher	Vice President (Marketing)
Shri Abhijit Bhatwadekar	Vice President (Spinning)
Shri Abhay K. Nahar	Vice President (Finance)
Shri Nilay Rathi	Vice President (Commercial)
Shri Atul K. Kedia	Vice President (Legal & Secretarial)

RAYON

Century Rayon, Tyrecord and Chemicals

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

CEMENT

Century, Maihar, Manikgarh and Sonar Bangla Cements

Shri B.L. Jain	Senior President

Century Cement & Sonar Bangla Cement

Shri Alok Patni	President (Works)
Shri Vijay Kumar	Executive President (Plant)
Shri A.K. Panja	Executive President (Plant) - Sonar Bangla Cement
Shri Satish Gurtoo	Joint President (Electrical & Instrumentation)
Shri Arun Gaur	Joint President (Finance)
Shri M.K. Jain	Senior Vice President (Plant)
Shri C.S. Vithalkar	Senior Vice President (Mechanical)
Shri A.K. Bajpai	Senior 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 Arvind Kumar Jain	Joint President (Mechanical)
Shri Manoj Gupta	Joint President (Finance)
Shri R. Deshpande	Senior Vice President (Purchase)
Shri Ajai Kumar Jain	Senior Vice President (Production)
Shri Govind Mahajan	Vice President (Electrical & Instrumentation)

Unit II

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

Manikgarh Cement Units I & II

Unit I

Shri P.S. Bakshi	President (Works)
Shri A.D. Karwa	Executive President (Finance & Marketing)
Shri R.K. Udge	Joint President (Mines)
Shri A.K. Jain	Joint President (Mechanical)
Shri M.P. Joshi	Joint President (Electrical & Instrumentation)
Shri Deepak Jaisinghani	Vice President (Mechanical)
Shri P.K. Bajaj	Vice President (Commercial)
Shri Piyush Kumar Choudhary	Vice President (Power Plant)

Unit II

Shri J.L. Tiwari	Senior Executive President (Plant)
Shri N.D. Hemke	Senior Vice President (Mechanical)
Shri E.V. Ravikumar	Vice President (Finance)
Shri V.K. Sharma	Vice President (Mechanical)
Shri G.V. Suryanarayan	Vice President (Instrumentation)

PAPER

Century Pulp and Paper

Shri Bipin Lal	Chief Executive Officer
Shri J. P. Narain	Chief Operating Officer (Works)
Shri Karthik V. Kumar	Chief Strategy and Marketing Officer
Shri Indranil Roy	Chief Sales Officer
Smt Archana Singh	Chief Finance and Business Planning Officer
Shri Ashutosh Bhalerao	Chief Supply Chain Officer
Shri Naveen Rai	Chief Procurement Officer

AUDITORS

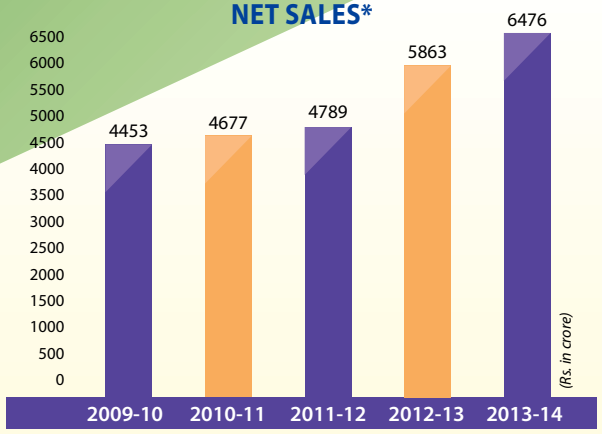
Dalal & Shah, Mumbai

REGISTERED OFFICE

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

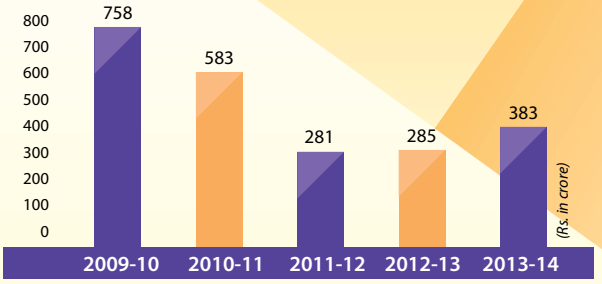
PERFORMANCE HIGHLIGHTS

NET SALES*



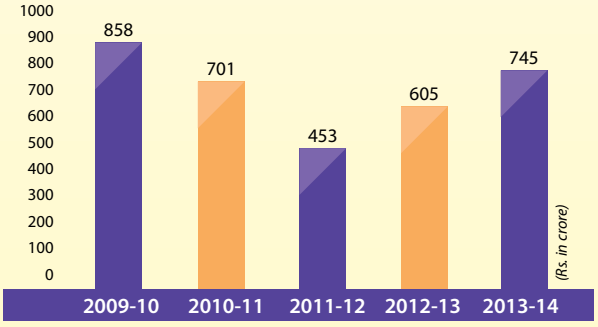
*Net Sales are net of excise duty

GROSS PROFIT AFTER INTEREST



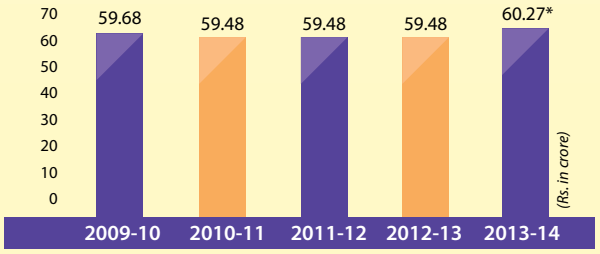
EBITDA

(Earning before Interest, Tax, Depreciation and Amortisation)



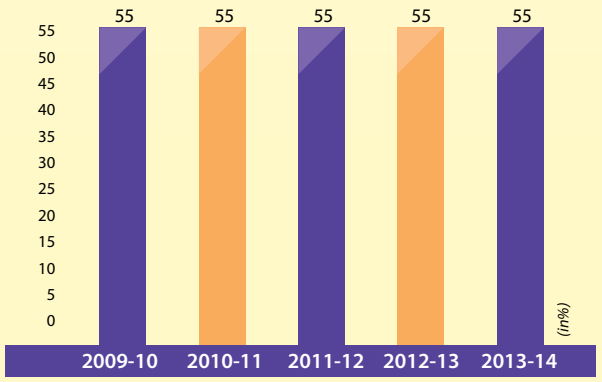
AMOUNT OF DIVIDEND

(including tax on it)



*Includes Rs. 0.39 crore relating to previous year

RATE OF DIVIDEND



FABRICS AND APPAREL

BIRLA CENTURY

PILOT SAMPLING PLANT AT RESEARCH AND DEVELOPMENT CENTRE

In today's scenario, to cater overseas and domestic leading brands and to showcase the strength of Research & Development by offering more and more innovative designs and products at faster rate, Pilot Sampling Plant is the necessity. Accordingly, Birla Century has set up a new facility in a separate Research & Development centre, for Pilot Sampling plant.



Pilot sampling plant at R & D centre

This pilot sampling plant gives more than 300 new fabric yardages of 30 meter each, in every month with new colors, designs, weaves, finishes, etc. which is helpful for creating an up market collection range to offer to the niche segment. This helps us in being more innovative while developing new fabrics with various designs, blends etc. concurrently this invariably increases the potential to go for a high value business with effective / smaller trials.

Additionally, the versatile infrastructure of Research & Development Centre will reduce the lead time for development to give quicker customer service, which also increases the quality improvement in production trial activities.

CENTURY DENIM

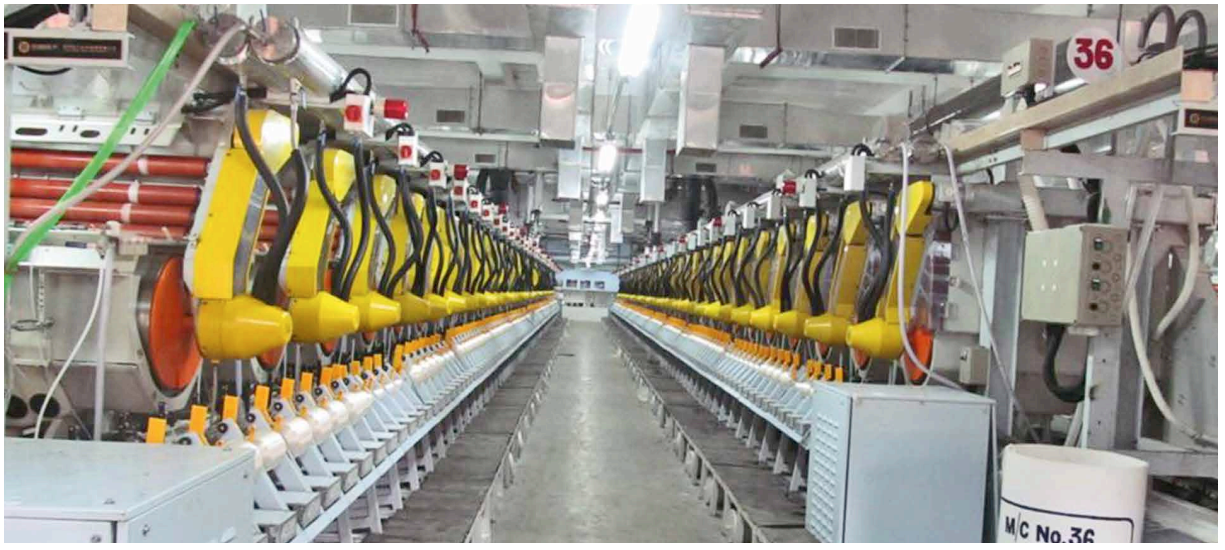
ADVANCED DENIM FABRIC PROCESSING MACHINE WITH COMBINATION OF DESIZING, MERCERISING AND DYEING RANGE

At Century Denim a new advanced denim fabric processing machine i.e. Desizer cum Merceriser with Dyeing range has been installed. During processing this eliminates marble effect in the fabric which gives value addition and is equipped fully with desizing, mercerizing & dyeing facility. On this combo machine all wet finish and mercerized fabric can be dried instead of stenter machine which reduces drying costs, improves quality, eliminates back staining and give consistency to the product. Further desizing improves luster of denim fabric and hand feel. It also eliminates batch to batch shade variation. Finally after processing, the denim fabric looks flat and clean fabric which is much in demand.



Combo Desizer cum Merceriser Machine - Advanced Denim Fabric Processing Machine with combination of Desizing, Mercerising and Dyeing range

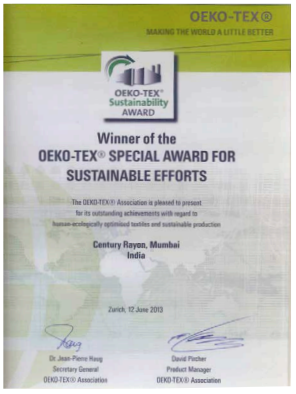
RAYON



Ten Spinning machines were added for Continuous Spun Yarn (CSY) to cater to increasing demand



State & Nation level Quality circle awards



Oeko-tex Special award for sustainable efforts

Three Rayon Spinning machines were added to cater to increasing demand of fine denier yarn. The machines were built by using indigenously developed parts and components.

In view of good market demand of fine denier in Continuous Spun Yarn, ten CSY machines were added to make total machines to 38. With addition of these machines, about 1.5 tonnes per day Fine denier yarn was added to the capacity.

Division received Oeko-tex standard 100 Certificate for producing Viscose Filament Yarn which is completely safe for human body and is free from any kind of harmful substances. Division also won Oeko-tex Special award for sustainable efforts at Frankfurt, Germany.

Two quality Circles participated in Maharashtra Convention for Best Quality Circles at Aurangabad and won Diamond award (Highest recognition).

Two Quality Circles participated in National Convention of Quality Circles, at Kolkata and won Par Excellence Award (Highest recognition).

Seven Quality Circles participated in the Chapter Convention on Quality Concept held at Mumbai. Six Quality Circles won Gold award and one Quality Circle won Silver award.

CEMENT



Newly Commissioned Sonar Bangla Cement – 1.5 Million TPA Cement Grinding Unit at Village Dhalo, Dist. Murshidabad, West Bengal

With the commissioning of Sonar Bangla Cement (Grinding Unit) of 1.5 million tonnes per annum Capacity at Village Dhalo, Dist. Murshidabad, West Bengal, the cement manufacturing capacity of the company has increased to 10 million tonnes per annum. Apart from Sonar Bangla Cement (Grinding Unit), Company has cement manufacturing facilities in the states of Chhattisgarh, Madhya Pradesh and Maharashtra.

All cement plants are equipped with captive thermal power plants which meets about 70% of total power requirement.

The company is manufacturing its cement – Ordinary Portland Cement of 43 Grade and 53 Grade, Portland Pozzolana Cement and Portland Slag Cement under its premium brand **"BIRLA GOLD"** and marketing in the state of Andhra Pradesh, Assam & North East, Bihar, Chhattisgarh, Delhi, Gujarat, Jharkhand, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh, West Bengal, etc.

Century Cement has been awarded first prize for "Innovative Practices and Technology Adopted" amongst mechanized mines during 31st Annual Safety Celebration 2013 from Director General of Mines Safety, Bilaspur Region.



MANIKGARH CEMENT - EXPANSION



A View of single length Pipe Conveyor

Manikgarh Cement Unit-II, 2.8 million tonnes per annum capacity cement plant situated in the premises adjacent to Manikgarh Cement at Gadchandur, Dist. Chandrapur in the state of Maharashtra, is in the advanced stage of erection. The plant is an unique example of state-of-the-art plant & machinery sourced from world's renowned cement equipment manufacturers.

To maintain pollution free environment, crushed limestone from captive limestone mines to the plant shall be transported through single length pipe conveyor, longest in the country (7.5 kms) passing through a hilly terrain and water ponds. Vertical roller mills for raw meal & pulverised coal, thermally efficient 6 stage pre-heater tower and power efficient centre drive cement mill are being installed besides setting up a 60 MW captive thermal power plant for self sustaining the production. In line with the 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.

After commissioning of Manikgarh Cement Unit-II, which is expected in September, 2014, the cement manufacturing capacity of Company will increase from 10 million tonnes per annum to 12.8 million tonnes per annum.



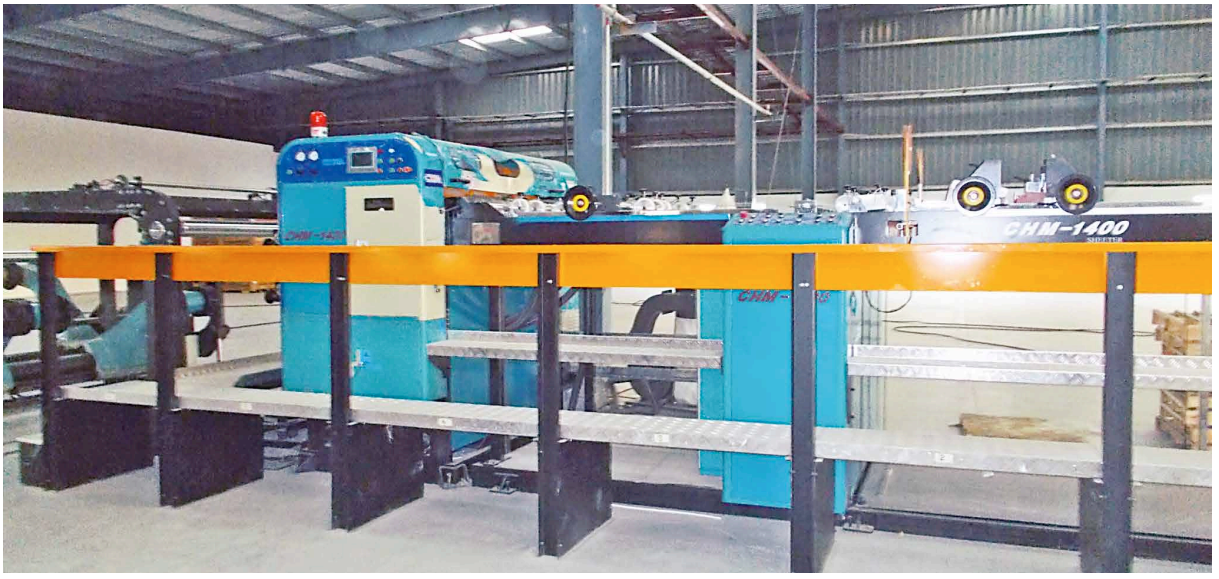
Manikgarh cement unit-II 2.8 Mtpa capacity under erection

PAPER

BHARUCH UNIT, GUJARAT



New plant at Bharuch, Gujarat of Century Pulp and Paper for cutting, finishing and packing of Board



Century Pulp and Paper has set up a Board cutting facility at Bharuch in Gujarat, with a current capacity of 1680 tonnes per month. Commercial production at the facility began in October 2013.

A Tissue conversion unit with a capacity of 190 tonnes per month is also nearing completion at the same premises, and is slated for commissioning by July 2014.

The enhanced production of both Board and Tissue would enable us to cater to the small lot orders in the significant West India market, while paving the way for forward integration in the Tissue business.