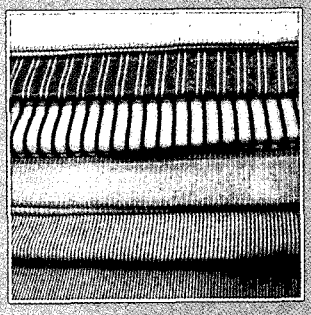
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Century Textiles and Industries Limited

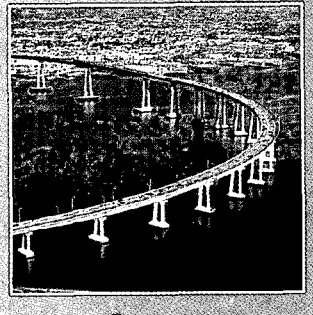
112th Annual Report & Accounts 2008-09



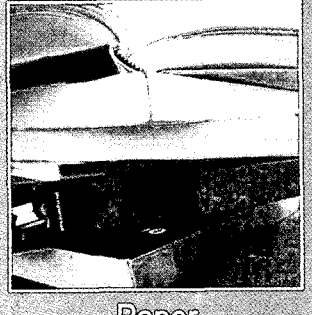
Textiles



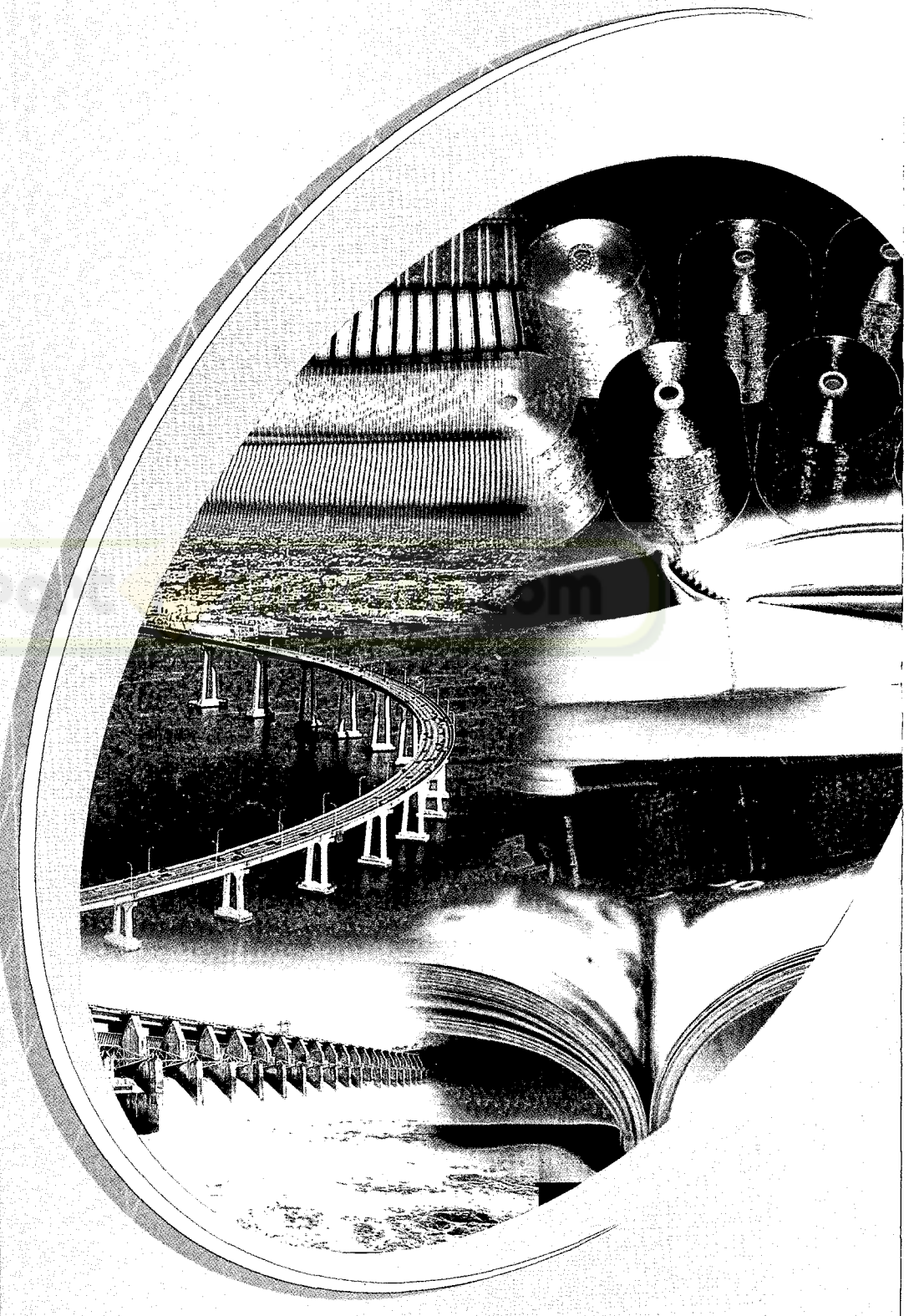
Rayon



Cement



Paper



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CHAIRMAN'S STATEMENT



Dear Shareholders,

The Indian economy, which was growing steadily and at a rapid pace over the last five years, has taken a backward step, due to the major worldwide financial turmoil and continuing global slowdown. Attempts have been made to counter the domestic effects by introducing fiscal measures and stimulating packages, with a view to provide tax relief to boost demand and increase in expenditure relating to public projects. In addition, the Reserve Bank of India has also taken a number of measures to increase the availability of credit, ease liquidity and reduce lending rates. It is expected that with implementation of all these measures, the slowdown in the Indian economy would be reversed and more favourable trends would re-emerge in the near future.

Considering the surrounding somber and difficult circumstances, the performance of our Company is considered satisfactory. Due to the steadfast thrust of the Government on education and infrastructure, the demand for Cement and Paper which are major contributors to the Company's revenues is expected to remain firm.

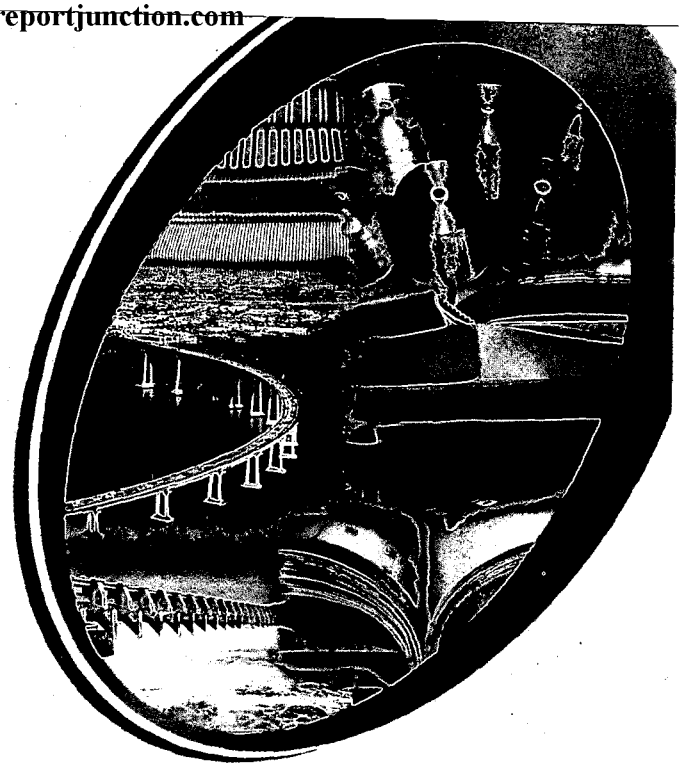
Your continuous support and confidence have in no mean measure inspired us to achieve our goals to enhance shareholders' value. I would like to extend my sincere thanks to all the shareholders, customers and the staff for their faith in the Company and unstinted support, as always.

B. K. Birla
Chairman

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BOARD OF DIRECTORS
(As on 04/05/2009)



Shri B. K. Birla, Chairman
Shri Kumar Mangalam Birla
Shri Pradip Kumar Daga
Shri E. B. Desai
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

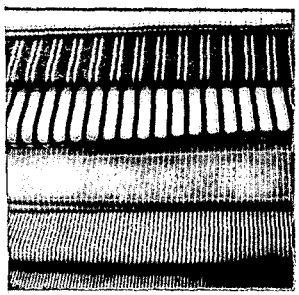
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TEAM OF EXECUTIVES
AS ON 04/05/2009

Textiles

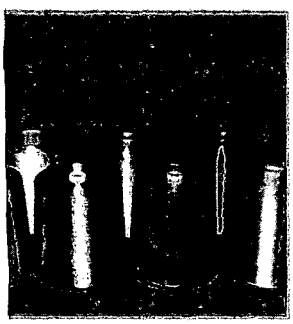
Century Textiles
Birla Century, Century Yarn and Denim



Shri R. K. Dalmia	Senior President
Shri D. K. Agrawal	President (Corporate Finance) & Secretary
Shri I. C. Surana	Executive President (Finance)
Shri U. C. Garg	Executive President (Purchase & Projects)
Shri R. C. Panwar	Senior Vice President (Marketing)
Shri S. R. Makharia	Vice President (Production)
Shri S. K. Somani	Vice President (Finance)
Shri Sanjay Khimesra	Vice President (Yarn & Denim)

Rayon

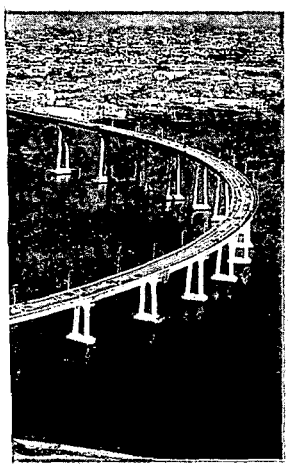
Century Rayon, Tyrecord and Chemicals



Shri O. R. Chitlange	President
Shri R. Lalwani	Executive President (Commercial)
Shri H. G. Uttamchandani	Senior Vice President (Rayon & Auxiliaries)
Shri S. M. Sanklecha	Senior Vice President (Purchase)
Shri R. K. Tandon	Senior Vice President (Personnel & Administration)
Shri S. K. Mittal	Senior Vice President (Engineering Services)
Shri Subodh Dave	Vice President (Rayon)
Shri Sudhir A. Luthra	Vice President (Chemicals)
Shri B. Manmohan	Vice President (Finance)

Cement

Century, Maihar, Manikgarh and Sonar Bangla Cements



Shri B. L. Jain	Senior President
Shri Kamal Kishore	President (Co-ordination)
Shri B. P. Jain	President (Technical)

Century Cement & Sonar Bangla Cement

Shri M. C. Gupta	Executive President (Works)
Shri Alok Patni	Executive President (Plant)
Shri S. K. Sultania	Joint President (Marketing)
Shri N. M. Singhvi	Senior Vice President (Finance)
Shri M. K. Jain	Senior Vice President (Plant)
Shri A. K. Panja	Senior Vice President (Commercial)
Shri Surendra Kumar	Vice President (Purchase)
Shri Kiran Sharma	Vice President (Generation)
Shri Satish Gurtoo	Vice President (Electrical)
Shri C. S. Vithalkar	Vice President (Mechanical)

Maihar Cement Units I & II

Unit I

Shri R. K. Vaishnavi	Executive President (Plant)
Shri R. S. Doshi	Executive President (Commercial)
Shri P. M. Intodia	Joint President (Marketing)
Shri Vijay Kumar	Sr. Vice President (Process & Quality Control)
Shri M. P. Joshi	Vice President (Electrical)
Shri Ajay Kumar Jain	Vice President (Production)
Shri Manoj Gupta	Vice President (Finance)
Shri A. S. Thakur	Vice President (Systems)

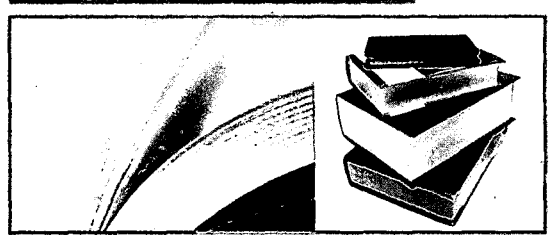
Unit II

Shri V. K. Bhandari	Executive President (Commercial)
Shri Rakesh Sharma	Joint President (P & A)
Shri S. K. Tewari	Senior Vice President (Mines)
Shri Ashok Maheshwari	Senior Vice President (Commercial)
Shri Arvind Kumar Jain	Vice President (Mechanical)
Shri O. P. Moondra	Vice President (Instrument)
Shri P. K. Agarwal	Vice President (Purchase)

Manikgarh Cement

Shri P. S. Bakshi	Executive President (Plant)
Shri N. B. Singh	Joint President (Plant)
Shri S. K. Mandelia	Joint President (Commercial)
Shri A. D. Karwa	Joint President (Finance & Marketing)
Shri R. K. Udge	Senior Vice President (Mines)
Shri A. K. Jain	Vice President (Mechanical)
Shri N. D. Hemke	Vice President (Mechanical)

Paper



Century Pulp and Paper

Shri R. L. Lakhotia	Senior President
Shri Dilip Chandarana	Senior Vice President (Technical)
Shri R. K. Sharma	Senior Vice President (Electrical & Instrumentation)
Shri R. C. Maheshwari	Senior Vice President (Utilities)
Shri B. C. Sharma	Vice President (Personnel & Administration)

Salt

Cenray Minerals and Chemicals

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

Auditors

Dalal & Shah, Mumbai

Registered Office

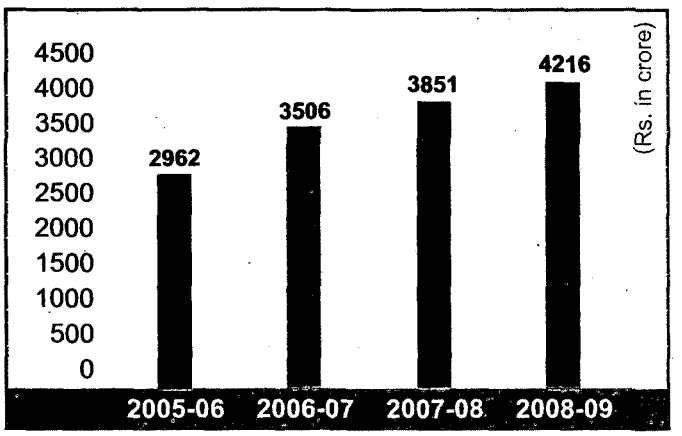
Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai - 400 030

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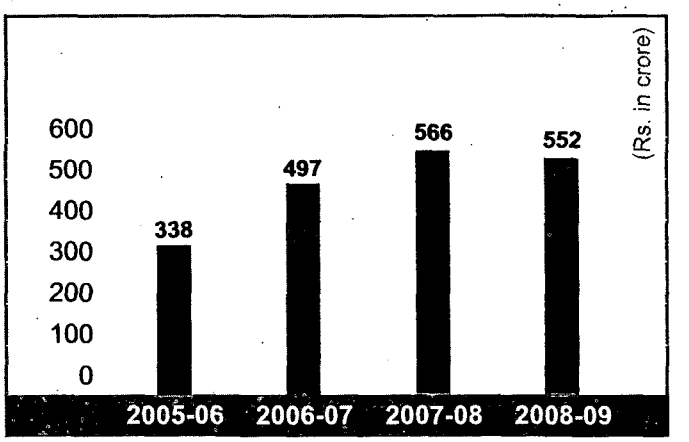
PERFORMANCE HIGHLIGHTS

Gross Sales*

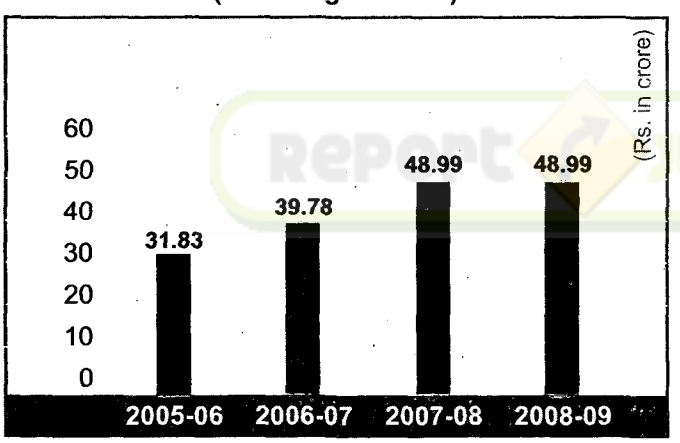


*Gross Sales are net of rebates and returns

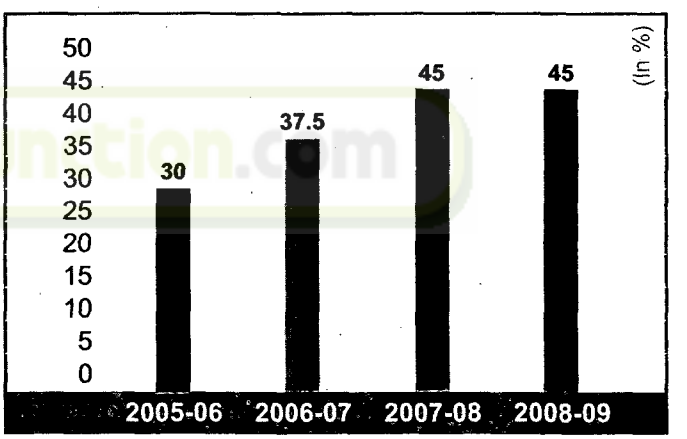
Gross Profit



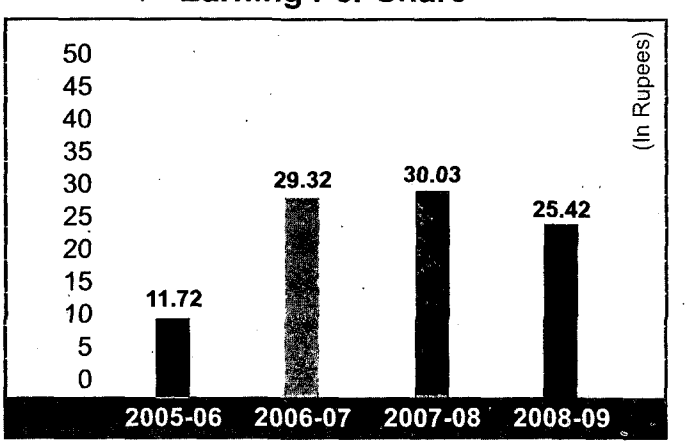
Amount of Dividend (including tax on it)



Rate of Dividend



Earning Per Share**



** Earning per share is including exceptional items

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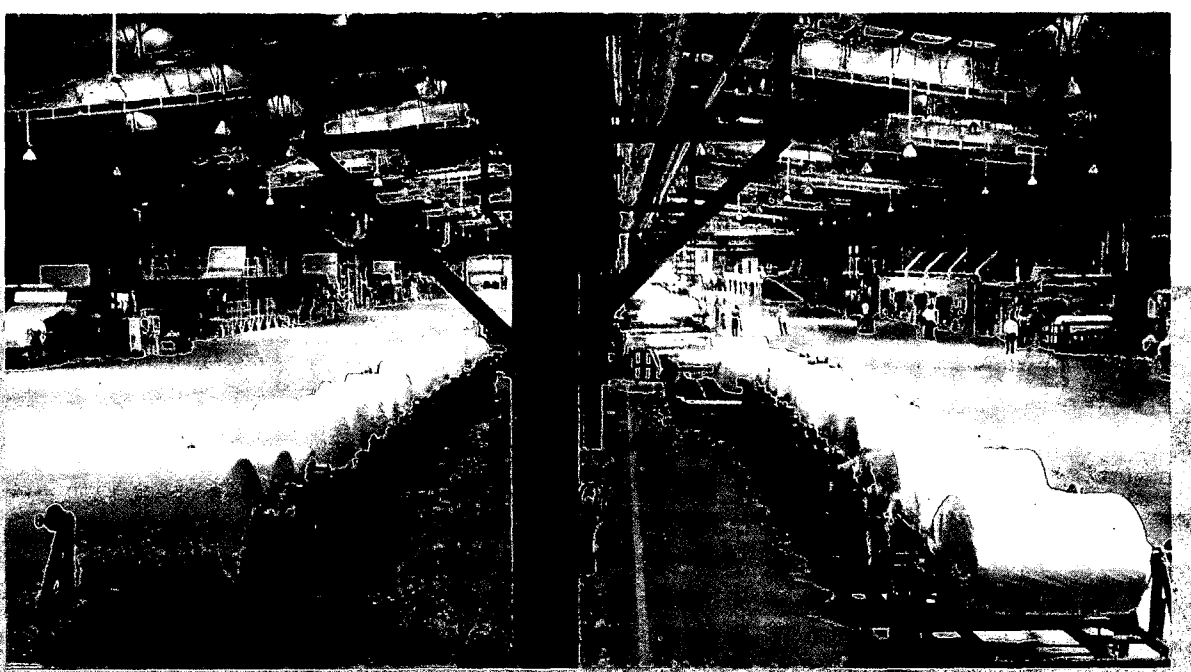
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FABRICS AND APPAREL

To meet the ever growing need for better products, through advanced technology and better cost competitiveness, our new Textile Mill viz. "Birla Century", a Green Field Project in the Bharuch District in the State of Gujarat has already begun operations with state-of-the-art, ultramodern Textile production facility. The new composite Textile Mill having a manufacturing capacity of about thirty million metres of fabrics per annum is performing end-to-end integration starting from blow room to spinning, weaving, processing, finishing up to the final packaging. At "Birla Century", we are manufacturing high value products such as premium range of elite shirtings in elegant designs, weaves and colours, eye catching range of suitings, fancy and finer fabric offering in various contemporary designs, weaves and colours and wide range of bed linen and home furnishing which are versatile in nature.

With the production of new greater range of fabrics in fine and superfine counts by Birla Century already started, the sale of textile products under the brand 'Cottons by Century' which is now well known amongst leading national brands, is poised to create niche market in the high-end customer base.

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Birla Century (Textile Plant, Dist. Bharuch, Gujarat) Processing and Finishing in operation.

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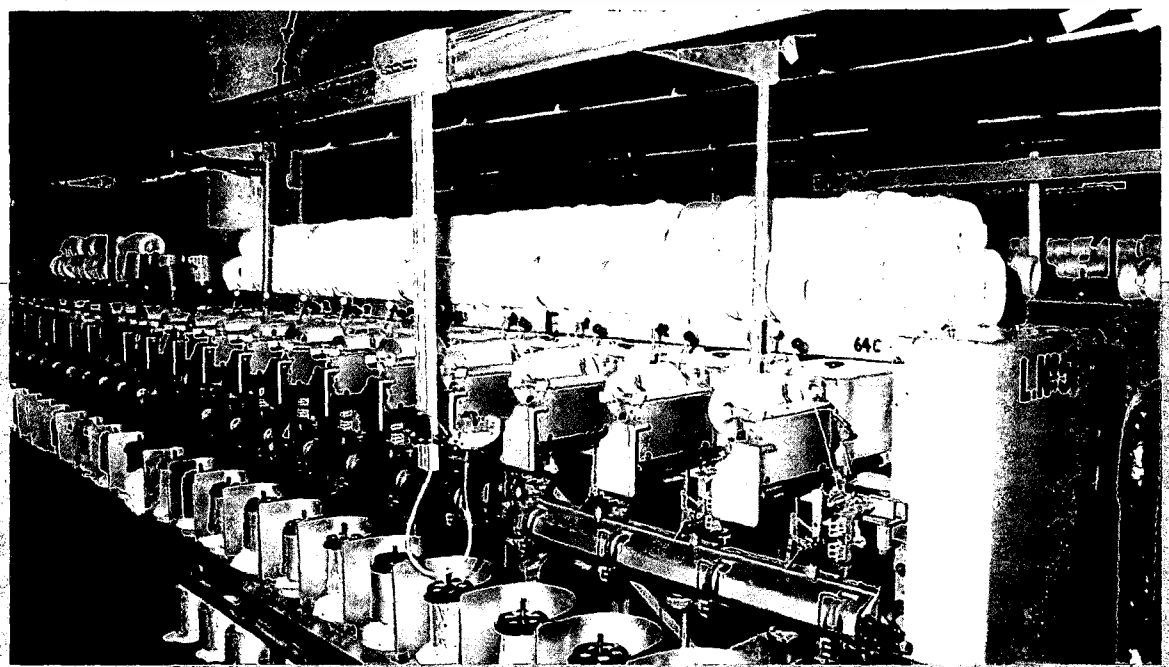
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RAYON

We are the largest producer of Rayon Filament yarn in India. We offer a wide range of Textile yarns in Pot Spun & Continuous Spun and High Tenacity Tyre Yarn. We are also continuously increasing our product range. Our yarn is preferred in all end uses including material used in sizing. We are accredited with ISO 9001:2000, ISO 14001, BS OHSAS 18001:2007 and Oekotex 100 certifications. Continuous steps are taken for modernization of the plant. During the year Continuous Filters were installed for Viscose second stage Filtration & Lenzing Fine homogenizers were installed for improving Viscose & ultimately yarn quality. Spintrak automatic spinerrette inspection was successfully introduced for the first time in any VFY plant as a quality check system. Centralization of the viscose ripening process was implemented to reduce process variations and improve plant efficiency. There is a strong focus towards energy conservation measures. We have installed the latest Baldor make energy efficient motors for all our coning machines. Acid Absorption Crystallizer is planned to be installed during the current year to reduce steam consumption thereby saving on natural resources such as coal.

During the year we have completed installation of the modern SSM Coning Machines to produce cones of 3.5 Kg size as compared to the conventional machines which produce cones of 2.0 Kg. This has resulted in better fulfillment of customer requirement by providing bigger packages and better quality yarn.

Overall these and many such other measures have helped in improving the efficiency of our plants and improving the quality of our products.



SSM Coning Machine - Century Rayon, kalyan, Maharashtra

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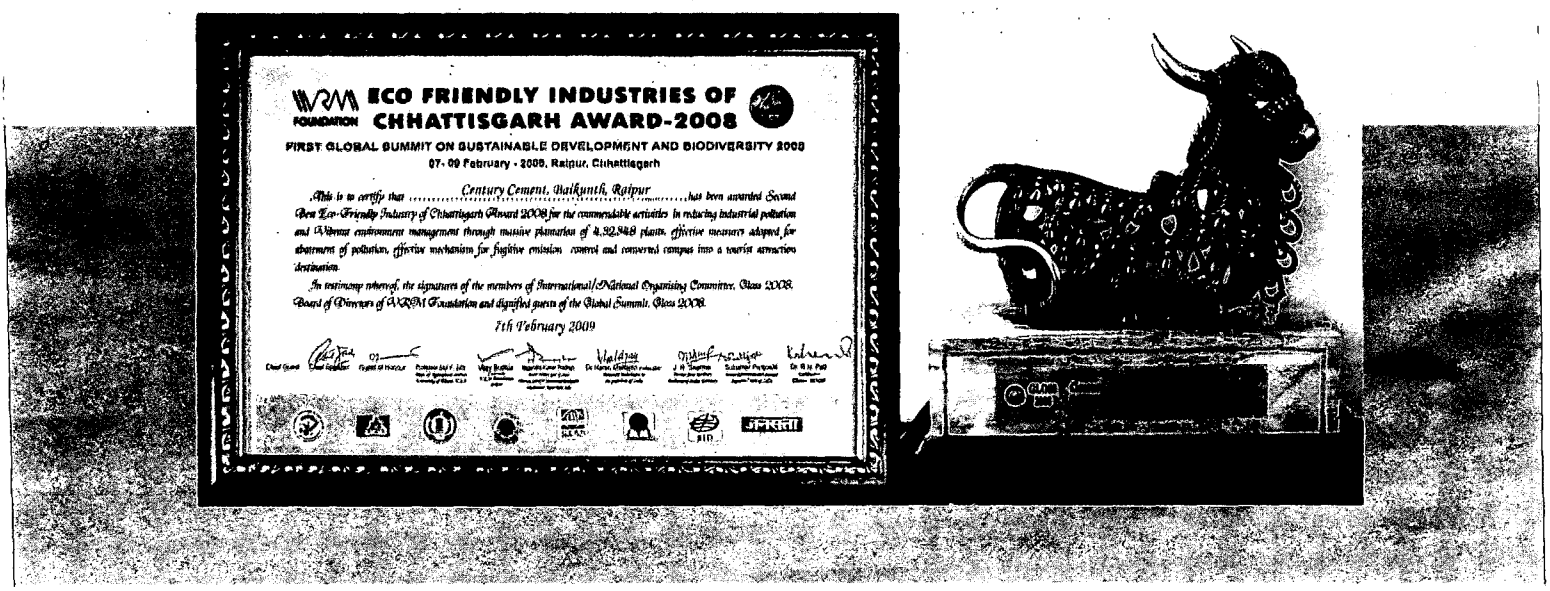
CEMENT

Industrial activities pollute the environment and cement industry is no exception where dust is generated due to manufacturing process thereby creating air pollution. Century's Cement units are fully conscious of environmental impacts of their industrial activities and realize the need for minimizing the impacts for preserving environment. Right from inception, great emphasis has been laid by all the cement units on maintaining ecological balance and environmental preservation so as to provide green, healthy and pollution free environment. Efforts of Cement units for preserving mother nature and maintaining eco-friendly environment have been rewarded in the form of various awards and accolades.

Manikgarh Cement Division of the Company has been awarded first prize in the "Air Quality Management", "Noise Vibration Studies and Aesthetic Beauty" and "Waste Dump Management" for its limestone mines during the Mines Environment and Mineral Conservation Week 2008-09 held under the aegis of Indian Bureau of Mines, Nagpur, (Chhattisgarh & Madhya Pradesh Region) at Nagpur in December, 2008.

Miss. Rubee Singh, a student of our school at Maihar Cement Division known as Sharda Vidya Niketan, Sarla Nagar, Satna (M.P.) has secured First position in the country in "Paryavaran Ratna Award Examination" conducted by Indian Centre for Wildlife and Environmental Studies in South Asia Region and has been honoured with "Paryavaran Ratna Swarna Padak".

Century Cement Division of the Company is a proud recipient of first prize for "Noise Vibration and Aesthetic Beauty" for its limestone mines during Mines Environment and Mineral Conservation Week 2008-09 (mechanised category) held under the guidance of Indian Bureau of Mines, Nagpur Region. In addition to this the Division's efforts in this direction have been recognized in the form of second best eco-friendly industry of Chhattisgarh Award 2008. This award is given in recognition of Century Cement's outstanding achievement in the area of reducing industrial pollution. VRM foundation has instituted this award and the same was presented by Governor of Chhattisgarh Shri ESL Narasimhan.



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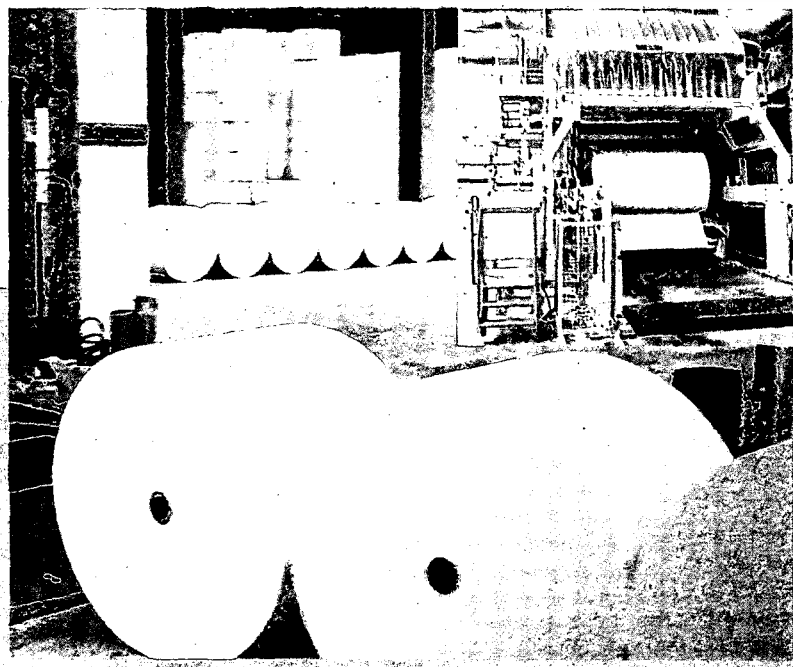
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PAPER

Since inception, we at Century have never let an obsession with number blur our vision for value creation. Certainly we are among the largest paper producers in the country. But what sets us apart from others is our long track-record of raising the benchmark of excellence for whole paper industry.

Excellence at Century is all pervasive. The conceptualization and execution of new state-of-the-art Tissue paper plant to manufacture international quality Tissue paper bears testimony to this fact. Our foray into this segment is based on the expected change in attitude towards hygiene, freshness and cleanliness and consequent demand of Tissue paper. Industrial changes such as growth in IT Sector, Tourism, MNCs have imported the culture of using tissue paper resulting in increased domestic demand. Similarly, sociological changes such as growing upper middle class, life style changes has seen the demand swell in domestic market. The indigenous growth rate of soft tissue paper consumption is around 25% at present and likely to increase in future. The Tissue plant installed by Century is not only the value addition but it also strengthens the brand name "CENTURY" in every household.

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Tissue Machine and Product of Century Pulp and Paper, Dist. Nainital (Uttarakhand)



*We were honoured With **"Energy Efficient Unit"**, a National Award for Excellence in Energy Management 2008, by Confederation of Indian Industry, held at Pune during 22-23rd August, 2008.*

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NOTICE OF MEETING

REGISTERED OFFICE :
Century Bhavan, Dr. Annie Besant Road, Worli, Mumbai 400 030

NOTICE is hereby given that the 112th 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 Tuesday, the 28th July, 2009 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, 2009 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,2009.
3. To appoint a Director in place of Shri B.K. Birla who retires from office by rotation, but being eligible,offers himself for re-election.
4. 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.
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 in partial modification of the relevant resolution passed at the 110th Annual General Meeting of the Company held on 24th July, 2007 and pursuant to the provisions of sections 198, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, for the time being in force, the Company hereby approves the payment of revised remuneration to Shri B.L. Jain, Wholetime Director as per the details provided in the Explanatory Statement in relation to this resolution, for the remaining period of his tenure of current office upto 31st March, 2010".
7. To consider and if thought fit, to pass the following resolution which will be proposed as a Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311, 314 and all other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII thereto and all guidelines for managerial remuneration issued by the Central Government from time to time, the Company hereby approves of the reappointment by the Board of Directors ("the Board") of Shri B.L. Jain as Director in the whole time employment of the Company for a further period of two years with effect from 1st April, 2010 with liberty to either party to terminate the appointment on three months notice in writing to the other, upon the following terms as to remuneration as set out hereafter, and with further liberty to the Board of Directors / Chairman of the Board from time to time to alter the said terms in such manner as may be in the best interests of the Company, subject however to the restrictions, if any, contained in the Companies Act, 1956, including Schedule XIII thereto as amended uptodate or otherwise as may be permissible at law,viz. :

A) Basic Salary & Allowances per month as on 1.4.2010 :
   i) Basic Salary : Rs. 2,60,000/-
   ii) Allowances:
      a) Entertainment Allowance Rs. 45,000/-
      b) City Compensatory and
         House Upkeepment Allowance Rs. 1,05,000/-

   with authority to the Board of Directors/Chairman of the Board to fix annual increments in basic salary and aforesaid allowances (Basic salary not exceeding Rs. 3,50,000/- per month and total aforesaid allowances not exceeding Rs. 2,25,000/- per month) from time to time as may be deemed appropriate.
   iii) House Rent Allowance 80% of basic salary.

B) Performance–cum-Long Term Service Allowance during the term of his appointment and manner of its payment as may be decided by the Board / Chairman of the Board from time to time subject to a maximum of Rs. 60 lakhs in one financial year.

C) Perquisites and other amenities payable/provided to Shri B.L. Jain.
   i) Company's contribution towards provident fund (presently 12%) and Superannuation Fund (presently 15%) as per the Rules applicable to Century Cement Division of the Company, and not exceeding the limit as laid down under the Income-Tax Rules, 1962.
   ii) Ex-gratia payment equivalent to 20% of basic salary.
   iii) As per the rules of Century Cement Division of the Company in respect of the following:
      a) Reimbursement of Leave Travel and Medical expenses for self and family.
      b) Leave with full pay and allowances.
      c) Gratuity.
      d) Personal accident insurance premium.
   iv) Fees of the clubs subject to a maximum of two clubs excluding admission and life membership fees.
   v) Provision of a chauffer driven car provided and maintained by the Company for the use on Company's business.
   vi) The housing society maintenance charges and electricity charges in respect of flat occupied by him shall be paid at actuals.
   vii) Provision of Telephone, telefax and other modern communication facilities at residence.

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